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United States
Department of
Agriculture

Economic
Research
Service

TS-177

September 1981

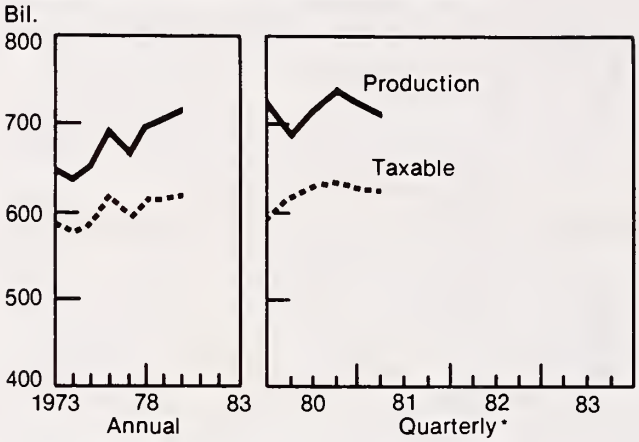
Tobacco

OUTLOOK & SITUATION

Tobacco Outlets

Trends in U.S. Manufactured Products and Exports

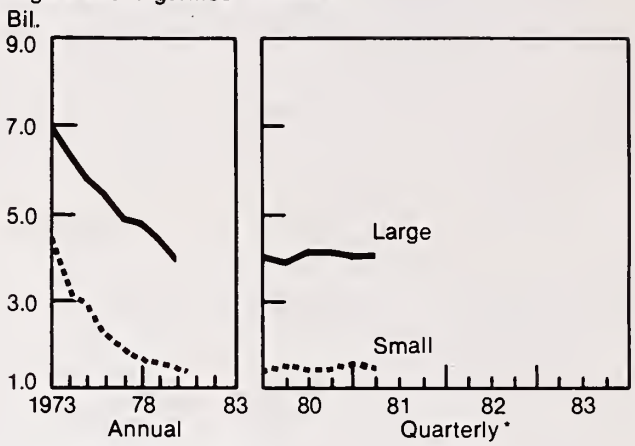
Cigaretes Production and Taxable Removals



Last quarter shown estimated.
*Seasonally adjusted at annual rates.

Neg. ESS 229-81(6)

Cigars and Cigarillos Production



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*Seasonally adjusted at annual rates.

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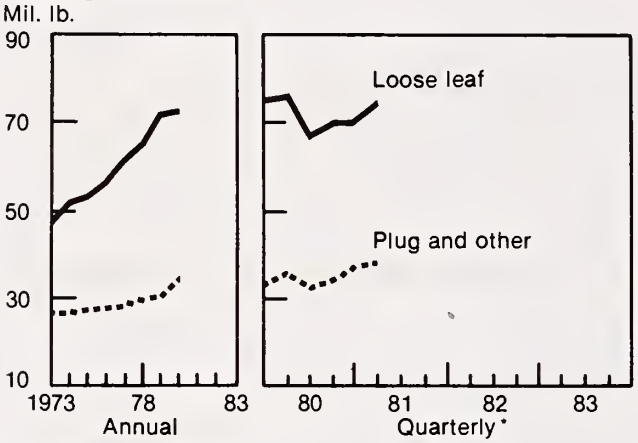
Chewing Production



Last quarter shown estimated.
*Seasonally adjusted at annual rates.

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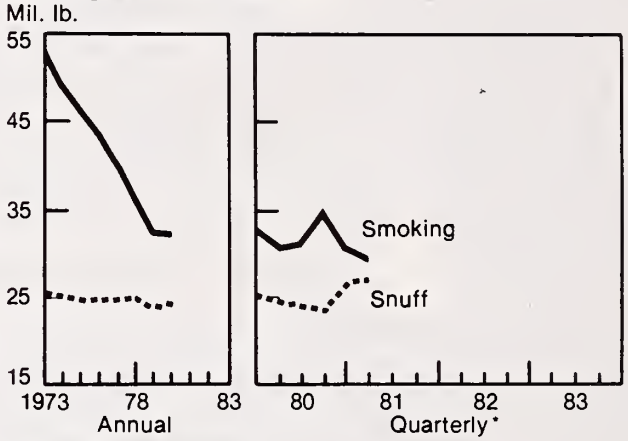
Smoking and Snuff Production



Last quarter shown estimated.
*Seasonally adjusted at annual rates.

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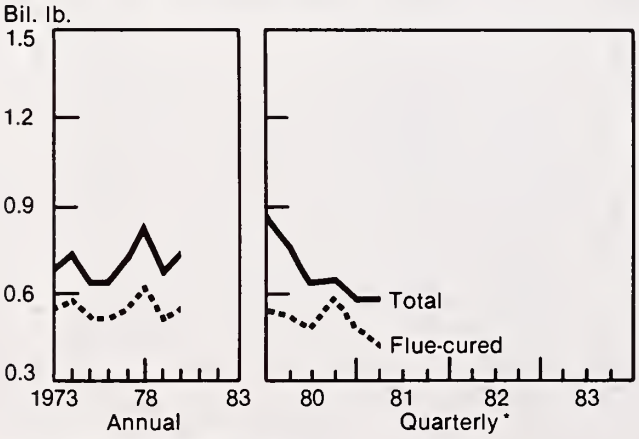
Leaf Exports, Farm-Sales Weight



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USDA

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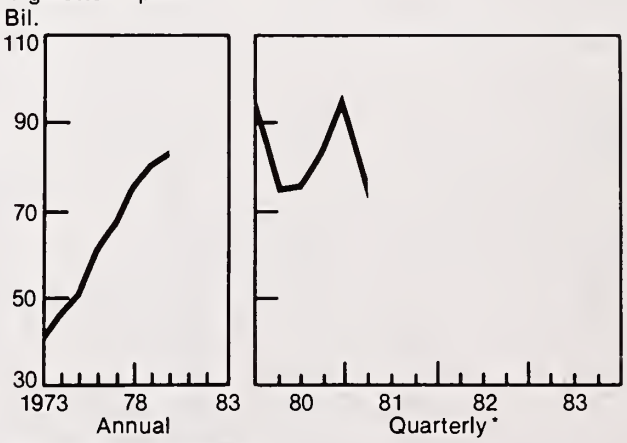
Cigarette Exports



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The *Tobacco Situation* is published in March, June, September, and December. Subscription for single issues is available at no charge upon request to principal contributor.

Summary

Tobacco production this year is up about a tenth from 1980 because of increased acreage and yield. Better growing conditions improved leaf quality, and with stronger demand, prices at flue-cured auctions are averaging well above last season. Cash receipts from the 1981 crop will rise substantially and surpass the 1978 record.

With fractionally more beginning stocks, the larger crop should bring the supply for 1981/82 (beginning July 1 for flue-cured and cigar-wrapper types, October 1 for all others) 4 percent above a year earlier. About 5.3 billion pounds (2.39 million metric tons), are expected. However, there may be a surplus for some kinds and grades and a shortage for others.

The September 1 estimate of U.S. tobacco output was 1.97 billion pounds (896,000 metric tons), up 11 percent from 1980, because both acreage and yields were higher. Most of the increase was in burley. But weather and other factors can still affect final production. Estimated ending stocks going into next marketing year were 3.28 billion pounds (1.49 million metric tons), about the same as a year earlier.

Worldwide tobacco prospects point to small gains in sales of cigarette and unmanufactured tobacco. For the United States, total tobacco disappearance may increase slightly from this year's 1.76 billion pounds (800,000 metric tons). Domestic cigarette sales are gaining slightly, and U.S. tobacco export prospects look better because of the improved quality of this season's larger crop. So despite higher costs for U.S. leaf and a less favorable foreign currency exchange, exports for the year ending June 30, 1982, could exceed the previous year's 553 million pounds (659 million, farm-sales weight).

This marketing year, U.S. cigarette output is expected to slightly exceed the 726 billion produced in 1980/81. An increasing adult population could mean another gain in U.S. cigarette consumption, although the smoking rate per person (18 and older) will likely stay close to 1980's rate of 192 packs.

The U.S. International Trade Commission (ITC) voted in August against placing import quotas on flue-cured tobacco. USDA and grower organizations the requested quotas to protect the price support program. However, the President must review the recommendation.

USDA has a fee for tobacco inspection and certification and other related costs, as required by the Ominbus Budget Reconciliation Act of 1981. The proposed fee is .45 cent a pound, effective October 1, 1981.

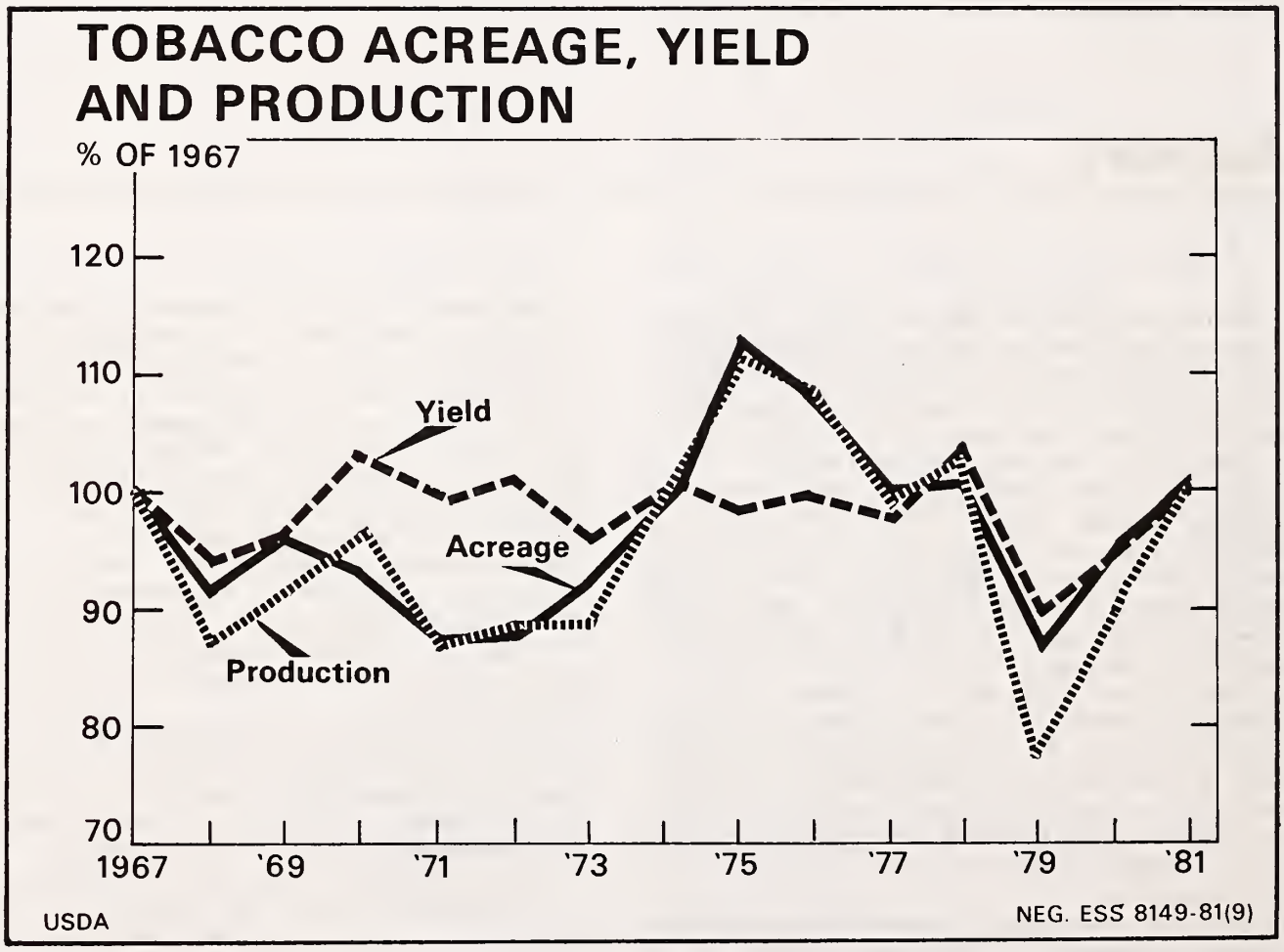
The national marketing quota for the 1982 flue-cured crop must be announced by December 1. Individual farm quotas and allotments will reflect under marketings and overmarketings in the current crop. Marketing quotas for burley and other kinds of tobacco will be announced by February 1, 1982. Based on the formula required by law, 1982 price support for eligible tobaccos will increase an estimated 11 percent over 1981.

With a large crop, the supply of U.S. flue-cured tobacco, is 3.1 billion pounds (1,410,000 metric tons), 2 percent above last year. Overall, the supply remains ample. The 1981 crop, estimated at 1.1 billion pounds (501,000 metric tons), is up 2 percent. June 30 ending stocks rose 2 percent. During the past year, both exports and domestic use declined. This season's use is expected to remain around last year's 1.04 billion pounds so 1982 carryover will likely increase.

Flue-cured sales began on July 14. By September 10, growers had marketed 58 percent of the crop, with 6 percent going under loan. Reflecting the larger share of better quality grades, higher price support, and stronger domestic and foreign demand, average prices moved briskly above year-earlier levels. Seasonal sales through September 10 averaged $1.65 a pound, 17 percent above the previous year.

The next year's supply of burley totals 8 percent more than a year earlier. Currently, supply represents 2.7 years use and provides less-than-adequate stocks for aging. This year's crop is expected to recover from the past 2 year's reduced output but will depend on favorable curing conditions to reach the forecast—the largest since 1963. This year's ending stocks are projected 3 percent below the preceding year. Because of short supplies, disappearance probably declined during the year. USDA is proposing to place no restrictions on grading and price support for the 1981 crop sold in untied bales.

Larger crops are forecast for Maryland, fire-cured, and dark air-cured tobaccos. Crops of cigar types should be smaller.



TOBACCO PRODUCTS

Cigarette Trends

U.S. cigarette smoking in 1981 may gain from 1980. Anti-smoking promotion has slackened, and more people are of smoking age. Also, consumption of low-tar, low-nicotine brands is rising. Slow growth in overall economic activity is expected in 1982, but it will have a negligible impact on cigarette sales (table 1).

Americans smoked an estimated 323 billion cigarettes in the first half of 1981, about 8 billion above a year earlier. Second-half use is expected to stay close to the 315 billion smoked during July-December 1980. Low-tar, low-nicotine cigarettes (containing 15 milligrams of tar or less) account for over one-half of total sales.

Consumption per person (18 and older) this year is estimated at 194 packs (3,850 cigarettes), about the same as last year (table 2).

Per capita data for 1979 and 1980 have been revised down about 2 percent, reflecting the the 1980 census. When the annual series of the adult population are available, the series for 1970-78 will also be revised. During the first 6 months of 1981, cigarette exports increased 2 percent (table 3). However, gains have fallen below the 1970-79 trend because of reduced shipments to Europe. Europe has experienced sharp price increases due to tax hikes. Considering both domestic and foreign sales prospects, 1981's output may remain about the same as last year.

Retail prices were still rising in July, standing 7 percent above a year earlier (table 4). Manufacturers raised wholesale prices twice from mid-1980 to mid-1981 and then also in September. Six States have raised cigarette tax rates so far this year. The weighted-average State tax on cigarettes was 13 cents a pack in mid-1981, ranging from 2 cents a pack in North Carolina to 21 in Connecticut, Massachusetts, and Florida. Many cities and other local governments also tax cigarettes. The Federal tax has remained at 8 cents a pack since 1951.

In September, the Federal Trade Commission (FTC) released its annual report on cigarette labeling and

Table 1—Cigarettes: U.S. output, removals, and consumption, 1971-81

Year	Output	Taxable	Removals Tax-exempt: Total	Exports	Shipments[1]	Overseas forces[2]	Estimated inventory increase	Total U.S. consumption[3]
					Billions			
1971	576.4	528.9	49.2	31.8	2.7	14.7	-11.4	555.1
1972	599.1	551.0	49.0	34.6	2.1	12.3	-3.3	566.8
1973	644.2	590.3	55.9	41.5	2.0	12.4	13.1	589.7
1974	635.0	576.2	59.2	46.9	1.9	10.4	-12.1	599.0
1975	651.2	588.3	62.3	50.2	1.5	10.6	-7.7	607.2
1976	693.4	617.9	72.1	61.4	1.9	8.8	13.5	613.5
1977	665.9	592.0	78.1	66.8	1.1	10.2	-14.4	617.0
1978	695.9	614.2	85.1	74.4	1.2	9.6	8.2	616.0
1979	704.4	614.0	93.8	79.7	1.1	13.0	5.7	621.5
1980[4]	714.2	620.5	94.2	82.0	1.0	11.2	.8	631.5
1981[5]	726.0	632.0	94.0	83.0	1.0	10.0	—	642.0
					Year ending June 30—			
1972	592.6	542.6	50.2	32.8	2.2	15.2	-8.5	566.4
1973	615.6	562.7	52.2	38.3	2.3	11.6	-2.2	576.8
1974	652.0	594.9	59.1	44.9	2.0	12.2	12.2	595.0
1975	626.8	570.3	57.4	46.6	1.7	9.1	-21.7	601.0
1976	688.2	619.1	69.8	58.2	1.9	9.6	14.0	615.0
1977	671.7	596.3	74.1	62.8	1.3	10.0	-9.7	616.5
1978	685.4	609.6	81.5	69.4	1.0	11.1	3.0	618.0
1979	707.0	615.2	92.2	78.8	1.2	12.2	12.1	616.0
1980[4]	697.0	605.8	93.2	82.9	1.3	9.0	-7.2	622.0
1981[4]	729.5	631.2	94.0	82.6	1.0	10.4	5.0	637.0

[1]To Puerto Rico and other U.S. possessions. [2]Includes ship stores and small tax-exempt categories. [3]Taxable removals, overseas forces, inventory change and imports (negligible). [4]Subject to revision. [5]Estimated.

Compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms and the Bureau of the Census.

Table 2—Consumption per capita of tobacco products in the United States (including overseas forces), 1972-81

Year	Per capita 18 years and over				Per male 18 years and over			
	Cigarettes		Snuff [2]	All tobacco products[1]	Large cigars and cigarillos		Smoking tobacco[2]	Chewing tobacco
	Number	*Pounds* [1]	*Pounds*	*Pounds*	*Number*	*Pounds*	*Pounds*	*Pounds*
1972	4,043	7.95	.18	9.65	108.9	1.74	1.00	1.08
1973	4,148	7.92	.18	9.53	102.4	1.61	.88	1.10
1974	4,141	7.90	.18	9.40	91.9	1.47	.87	1.13
1975	4,123	7.73	.17	9.14	82.4	1.32	.76	1.15
1976	4,092	7.35	.17	8.69	75.0	1.20	.75	1.17
1977	4,051	7.21	.16	8.49	67.9	1.13	.65	1.22
1978	3,967	6.89	.16	8.10	63.4	1.05	.60	1.25
1979[3]	3,850	6.97	.15	8.12	55.0	.90	.50	1.29
1980[3]	3,845	6.87	.15	7.98	50.4	.83	.47	1.33
1981[4]	3,850	6.92	.15	8.03	49.4	.82	.46	1.37

[1]Unstemmed processing weight. [2]Finished product weight. [3]Subject to revision. [4]Estimated. Data prior to 1979 do not include results of 1980 census.

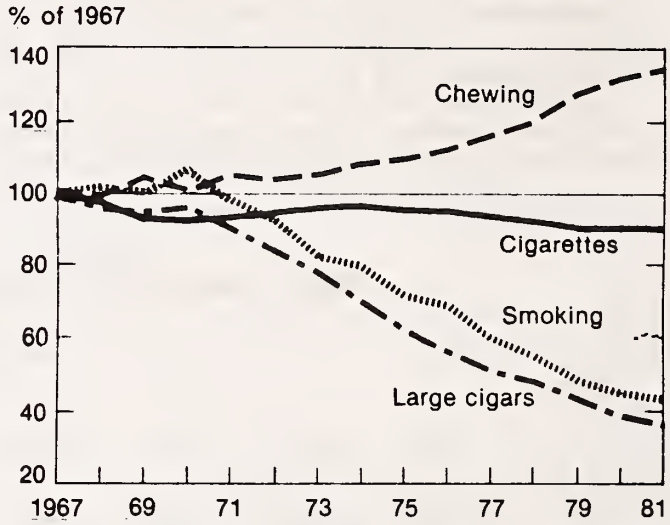
Table 3—U.S. cigarette exports to leading destinations, 1980-81

Country	July 1980 June 1981	January-July 1980	1981[1]
		Billions	
Belgium-Luxembourg	18.7	8.9	9.3
Hong Kong	8.1	4.1	4.4
United Arab Emirates	3.3	3.2	2.2
Netherlands Antilles	5.1	2.3	2.8
Saudi Arabia	4.8	2.0	2.9
Japan	3.9	2.1	2.8
Kuwait	2.9	1.9	1.4
Spain	5.3	2.0	.6
Canary Islands	3.2	1.7	1.6
Columbia	1.6	1.7	1.0
Other	25.8	17.0	19.9
Total	82.7	46.9	48.9

[1]Subject to revision

Complied from publications and records of the Bureau of the Census.

Consumption of Tobacco Products



Per male 18 and over; except cigarettes, per person 18 and over. 1981 preliminary.

Table 4—Tobacco demand factors, 1972-81*

Year	Population July 1[1]	Disposable personal income, per capita[2]		Consumer price indexes[3]				
						Cigarettes		Cigars, regular size
		Current prices	1972 prices	All items	Tobacco products	Nonfilter tip regular	Filter tip king size	
	Million	*Dollars*				*1967=100*		
1972	139.8	3,880	3,880	125.3	133.4	134.8	135.4	110.8
1973	142.2	4,346	4,112	133.1	137.0	138.7	139.1	112.9
1974	144.7	4,710	4,050	147.7	143.8	145.5	145.9	119.5
1975	147.3	5,132	4,099	161.2	153.9	156.0	156.5	124.2
1976	150.5	5,550	4,217	170.5	160.5	162.7	163.2	129.9
1977	152.6	6,046	4,334	181.5	168.0	170.6	171.0	135.0
1978	155.3	6,688	4,486	195.4	177.3	—	179.8	[4]103.9
1979	161.5	7,441	4,585	217.5	187.9	—	189.7	[4]110.6
1980[5]	164.3	8,002	4,473	246.8	202.6	—	205.2	[4]120.0
1981[6]	166.8	8,770	4,528	272.0	218.0	—	220.0	[4]132.0

[1]18 years and older including forces overseas. [2]Based on total population. [3]All urban consumers, 1978-79; urban wage earners and clerical workers, 1970-77. [4]Other tobacco products and smoking accessories, December 1977=100. [5]Subject to revision. [6]Estimated. *Data prior to 1979 does not include results of 1980 census.

Table 5—Wholesale cigarette price revisions, 1974-81[1]

Approximate date of change[2]	Net price per 1,000				Net price per 1,000, excluding Federal excise tax			
	Standard	King size	Filter tips	100 millimeter	Standard	King size	Filter tips	100 millimeter
				Dollars				
January 1974	10.60	10.60	10.60	11.10	6.60	6.60	6.60	7.10
May 1974	11.30	11.30	11.30	11.80	7.30	7.30	7.30	7.80
November 1974	(11.80-12.00)	(11.80-12.00)	(11.80-12.00)	(12.30-12.50)	(7.80-8.00)	(7.80-8.00)	(7.80-8.00)	(8.30-8.50)
November 1975	(12.55-12.75)	(12.55-13.25)	(12.55-12.75)	(13.05-13.25)	(8.55-8.75)	(8.55-8.75)	(8.55-8.75)	(9.05-9.25)
October 1976	13.50	13.50	13.50	14.00	9.50	9.50	9.50	10.00
August 1977	14.35	14.35	14.35	14.85	10.35	10.35	10.35	10.85
June 1978	15.20	15.20	15.20	15.70	11.20	11.20	11.20	11.70
Dec. 1978	15.75	15.75	15.75	16.25	11.75	11.75	11.75	12.25
June-July 1979	16.30	16.30	16.30	16.80	12.30	12.30	12.30	12.80
Jan. 1980	17.05	17.05	17.05	17.55	13.05	13.05	13.05	13.55
May 1980	17.65	17.65	17.65	18.15	13.65	13.65	13.65	14.15
November 1980	18.40	18.40	18.40	18.90	14.40	14.40	14.40	14.90
April 1981	19.05	19.05	19.05	19.55	15.05	15.05	15.05	15.55

[1]Includes leading brands. A 3 percent discount is made for payment within 10 days or 2 percent within 14 days. [2]For 1940-74, see TS-151, March 1975.

Table 6—Cigars and smoking tobacco: Output, removals, and consumption, 1978-81

Year and item	United States factories			From Puerto Rico, taxable	Imports	Exports	Total U.S. consumption[1]
	Output	Removals					
		Taxable	Tax-exempt				
				Millions			
Large cigars and cigarillos							
1978	3,795	3,621	164	986	99	166	4,702
1979	3,601	3,353	179	842	107	177	4,304
1980	3,454	3,291	201	590	119	[3]200	4,001
1981[2]	3,500	3,300	190	550	130	200	3,980
				Year ending June 30			
1978	3,913	3,752	145	966	100	130	4,826
1979	3,703	3,478	167	961	99	178	4,527
1980	3,411	3,300	188	667	106	[3] 190	4,071
1981 [3]	3,506	3,289	187	558	133	[3] 200	3,967
				Million pounds			
Smoking tobacco							
1978	36.4	35.2	.8	—	8.9	.9	44.2
1979	32.8	32.3	.9	—	7.0	.9	39.3
1980	32.2	30.6	.8	—	6.8	.8	37.4
1981[2]	31.0	30.0	.8	—	7.0	.8	37.0
				Year ending June 30			
1978	37.6	37.5	.7	—	8.3	[3] .8	45.7
1979	34.3	33.7	.8	—	7.1	1.0	40.6
1980	31.7	31.2	.9	—	5.0	.8	36.2
1981[3]	31.3	30.2	.8	—	5.5	.9	35.7

[1]Total removals (or sales) from U.S. factories plus those from Puerto Rico, and imports, minus exports. [2]Estimated. [3]Subject to revision.

Compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms, Bureau of the Census, and AMS, USDA.

Table 7—Tobacco products: Output by category, 1972-81

Period	Chewing tobacco					Snuff	Small cigars[2]	Smoking tobacco in bulk (exports)
	Plug	Twist	Fine-cut	Lose leaf	Total[1]			
	Million pounds						*Millions*	*Millions pounds*
1972	19.6	2.2	5.2	45.6	72.6	25.5	4,022	29.4
1973	18.6	2.1	5.7	47.6	74.0	25.3	4,415	26.0
1974	18.0	2.2	6.2	52.9	79.2	25.0	3,101	38.9
1975	18.1	2.2	7.3	53.7	81.5	24.4	2,942	17.6
1976	16.7	2.3	8.3	56.3	83.6	24.8	2,246	13.9
1977	16.4	2.2	10.1	61.3	90.0	24.6	1,864	9.8
1978	15.9	2.1	12.0	64.6	94.6	25.1	1,645	4.2
1979	15.3	2.0	13.3	71.7	102.3	23.7	1,544	27.0
1980	16.5	2.0	15.0	75.5	109.0	24.5	1,440	25.0
1981[3]	20.0	1.8	15.0	73.0	110.0	24.5	1,450	10.0
	Year ending June 30							
1972	19.9	2.3	5.2	45.5	73.0	26.0	1,655	34.0
1973	18.4	2.2	5.4	46.0	72.0	25.3	5,580	26.0
1974	18.7	2.1	5.9	48.1	74.8	24.8	3,428	33.4
1975	17.9	2.2	6.7	54.6	81.6	24.7	3,158	34.4
1976	17.6	2.3	7.8	56.7	84.4	24.6	2,513	11.8
1977	16.5	2.3	9.1	58.5	86.4	25.3	2,055	13.4
1978	16.1	2.1	10.9	62.8	92.0	24.4	1,846	3.4
1979	15.8	2.1	12.7	66.7	97.2	24.0	1,459	25.6
1980	16.2	1.9	14.2	74.5	106.9	24.4	1,501	25.5
1981[4]	18.4	1.8	14.7	69.7	104.7	24.4	1,452	12.5

[1]Detail may not add to total due to rounding. [2]Weigh not more than 3 poiunds per thousand. [3]Estimated. [4]Subject to revision.

Basic data compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms, Bureau of the Census, and Agricultural Marketing Service, USDA.

advertising. Promotion and advertising expenses reached a record $1.083 billion in 1979, a 25-percent gain over the previous year.

An FTC staff report in May 1981 discussed recent advertising practices, the effectiveness of the current health warning, and consumer knowledge of the health hazards of smoking. Remedial options were considered.

Downtrend Slows for Cigars And Smoking Tobacco

Total consumption of large cigars (including cigarillos) this year may drop only fractionally below 1980's 4 billion. The slower downtrend could continue as the median age of the population increases (table 6).

About 2 percent fewer cigars per male (18 and older) smoked this year than last. The 1980 average was 50. Midyear wholesale prices averaged 6 percent above a year ago. Taxable removals (domestic consumption of cigars by revenue class) through June showed gains in high-priced categories and declines in medium and low groups.

For the year, output of little cigars (weighing 3 pounds or less per thousand) may change little from the 1980 total of 1.4 billion cigars.

Smoking tobacco used in pipes and for roll-your-own cigarettes may decline slightly below last year's 37 million pounds (table 6), representing a slowing of the last decade's downtrend. In the first half of this year, domestic use of smoking tobacco, including imports, totaled 17 million pounds, 2 percent below a year earlier. By midyear, wholesale prices averaged 12 percent above a year ago.

Smokeless Tobacco Output Increasing

Chewing tobacco production in 1981 is expected to rise from the 106 million pounds produced in 1980. The uptrend in output faltered last year when sales fell as a consequence of a drop in employment in certain cyclical industries, such as construction. Snuff production is estimated about the same as last year but 4 percent below a decade ago.

U.S. EXPORTS AND IMPORTS

U.S. Leaf Exports Dropped in First Half of 1980

U.S. exports of unmanufactured tobacco during January-June were 14 percent below last year. Declines occurred in the two major categories, flue cured and burley (table 8). The 1981 flue-cured crop appears of higher quality than last year's, but U.S. leaf exports may still fall from 1980's 599 million pounds (272,000 metric tons), export (dried) weight. But next year's total could pick up.

Table 8—United States exports unmanufactured tobacco by type and to principal importing countries 1978-81 (Declared weight)

Type and country	Year ending June 30				January-July		1981 as a percentage of 1980
	1978	1979	1980	1981[1]	1980[1]	1981[2]	
	Million pounds						*Percent*
Type:							
Flue cured	397.4	439.5	398.5	361.0	215.5	173.5	81
Burley	83.8	66.3	98.6	72.5	75.9	61.1	81
Maryland	8.3	7.2	6.1	5.2	4.1	3.8	93
Fire-cured, Ky, and Tenn.	17.2	16.1	15.5	16.3	10.3	10.8	105
Virginia fire and sun-cured	3.4	2.1	2.9	2.5	1.4	.9	64
Green River and One Sucker	.1	.4	.2	.1	*	*	—
Black Fat	2.7	1.9	2.7	3.2	1.0	1.5	150
Cigar wrapper	4.2	4.7	4.8	3.5	2.6	1.9	73
Cigar binder	.2	*	.1	.2	.1	.1	100
Cigar filler	.2	.1	.1	.6	.1	.4	400
Perique	.1	.1	.1	.1	.1	*	65
Stems, trimmings and scrap	98.8	86.6	81.4	80.3	41.2	42.8	104
Other, not elsewhere classified	—	5.7	6.4	7.8	4.7	4.8	102
Total	617.0	671.9	617.4	553.4	357.0	301.6	84
Country of destination							
United Kingdom	84.4	125.2	43.2	43.1	6.4	17.0	267
France	7.6	14.6	4.8	6.3	2.5	4.1	164
Belgium-Luxembourg	13.8	11.0	8.5	8.2	4.5	5.2	116
Netherlands	29.9	33.9	45.1	33.7	30.9	17.6	57
West Germany	65.4	58.4	96.7	82.7	73.8	47.7	65
Denmark	15.6	24.5	20.9	11.1	11.5	5.3	46
Ireland	3.4	7.0	4.9	3.3	2.0	2.5	125
Italy	43.6	36.6	30.3	27.3	27.5	23.9	87
Total EC	263.7	311.2	254.4	215.7	159.1	123.4	78
Switzerland	27.1	22.6	24.7	16.7	12.6	12.1	96
Finland	5.1	8.2	9.3	9.2	6.1	6.3	103
Norway	4.2	4.9	6.8	4.3	4.0	1.6	40
Sweden	16.1	11.8	15.4	14.9	4.1	3.6	88
Spain	10.0	10.4	15.6	31.6	18.5	18.8	102
Thailand	18.2	18.8	22.6	18.4	22.6	18.4	81
Korea, Rep of	2.6	21.1	29.7	*	13.6	*	0
Malaysia	9.8	10.3	7.2	7.5	4.0	2.6	65
Philippines	14.6	13.3	13.6	11.4	7.6	8.9	117
Taiwan	14.7	34.1	29.7	13.3	3.7	2.8	76
Japan	113.4	102.2	78.2	108.9	17.2	26.7	155
Australia	12.7	11.0	14.2	13.1	6.8	6.1	90
New Zealand	4.3	3.7	4.2	3.0	2.7	1.8	67
Egypt	22.0	15.5	38.5	14.2	17.4	16.1	93
Other countries	79.5	72.8	53.3	71.2	61.1	58.3	95
Total	617.0	671.9	617.4	553.4	357.0	301.6	84

[1]Subject to revision. [2]Preliminary. *Less than 50,000 pounds.

Detail may not add to total due to rounding. Complied from publications and records.

The growth in foreign cigarette production remained at 1.4 percent last year. Expansion was held down by price and tax increases, anti-smoking campaigns, and low population growth in developed countries. Also, leaf tobacco use per cigarette has been declining. Increased use of filters is one factor. Filter cigarettes accounted for 86 percent of the total output in Western Europe and Japan.

Overseas manufacturers are building inventories with non-U.S. tobacco this season. Still, the improved quality of the U.S. flue-cured crop and a larger burley outturn this year should firm export prospects over the next year or two.

High prices are dampening cigarette consumption in several developed countries, particularly in the United Kingdom, where the last two budgets have raised excise duties well in excess of the inflation rate. In 1980, West Germany's cigarette output gained 1 percent from the year before; the gain is continuing in 1981. Japan's cigarette sales dropped 1.7 percent, because health concerns and advertising limitations are affecting sales. In the largest producing and consuming country, the Peoples' Republic of China, (PRC) there has been a shortage of cigarettes, and production has lagged behind increasing sales. The PRC has purchased considerable foreign leaf and made shifts to more efficient manufacturing.

Table 9 - U.S. imports of unmanufactured tobacco for consumption and general, principal categories, and countries of origin, 1980 81, and January-July 1980-81 1/

(Declared weight)

Classification and country of origin	Imports for consumption: Year July 1980: June 1981	Imports for consumption: January-July 1980	Imports for consumption: January-July 1981 1/	Imports for consumption: 1981 as a percentage of 1980	General imports (arrivals): Year July 1980: June 1981	General imports (arrivals): January-July 1980	General imports (arrivals): January-July 1981 1/	General imports (arrivals): 1980 as a percentage of 1981
	---Million pounds---			Percent	---Million pounds---			Percent
Cigarette tobacco:								
Leaf:								
Oriental								
Turkey	96.4	64.8	54.4	84	69.4	73.9	59.7	81
Greece	25.4	12.6	14.6	116	30.1	17.1	23.8	139
Yugoslavia	13.9	7.1	7.5	106	10.6	9.7	7.2	74
Bulgaria	10.1	6.4	6.0	94	15.8	9.4	14.1	150
Other countries	26.7	12.7	16.0	126	21.0	8.2	10.6	129
Flue-cured	17.3	4.6	9.9	215	17.6	11.6	5.0	43
Burley	48.5	9.9	30.9	312	61.9	35.7	38.5	108
Other	3.5	.6	2.2	244	2.8	.5	.5	100
Subtotal	241.7	118.7	141.5	119	229.3	166.1	159.4	96
Scrap 2/ :								
Brazil	3.5	19.1	1.3	7	2.6	24.2	.5	2
Korea, Republic of	.4	9.1	0	0	.6	12.9	0	
Italy	0	3.2	0	0	.7	4.3	0	
Mexico	.8	1.8	.4	22	.8	1.5	.3	
Turkey	6.2	5.3	3.6	68	3.3	10.1	3.3	33
Zimbabwe		6.1	0	0	.2	6.8	.1	
Other countries	8.7	34.5	4.9	14	9.5	21.3	3.6	17
Subtotal	19.6	69.8	10.3	15	17.7	81.2	7.9	10
Total	261.3	188.5	151.8	81	247.0	247.3	167.3	68
Cigar tobacco:								
Wrapper	1.5	1.1	.9	82	1.5	1.4	1.1	79
Filler-stemmed and unstemmed								
Dominican Republic	1.6	.7	1.0	143	5.5	4.1	3.5	85
Other countries	5.0	1.8	3.8	211	17.6	12.3	8.9	72
Subtotal	7.1	2.5	4.8	192	23.1	16.4	12.4	76
Scrap								
Philippine Republic	9.7	5.5	5.3	96	6.5	4.4	4.8	109
Indonesia	6.5	3.0	4.2	140	15.7	4.0	3.8	95
Dominican Republic	7.1	3.3	4.1	124	3.5	1.1	2.4	218
Brazil	3.4	1.7	2.0	118	7.3	1.9	4.0	211
Other countries	15.8	9.3	9.6	103	22.0	7.9	6.3	80
Subtotal	42.6	22.8	25.2	111	32.5	19.4	21.3	110
Total	51.3	26.4	30.9	117	57.1	37.2	34.8	94
Stems	31.9	17.1	24.9	146	37.8	20.2	29.4	146
Total, unmanufactured	344.5	232.2	207.6	89	341.9	304.7	231.5	76
Manufactured or not manufactured, not specifically provided for, other								
Brazil	22.9	.3	18.6	**	31.9	3.5	32.7	934
Korea, Republic of	18.6	.3	13.6	**	26.2	.3	24.2	**
Malawi	1.2	0	1.1	**	6.8	0	4.9	**
Zimbabwe	1.6	0	3.1	**	2.3	0	3.5	**
Other	29.1	3.8	22.4	618	30.6	6.0	24.0	400
Total	73.4	4.4	58.8	**	97.8	9.8	89.2	910
GRAND TOTAL	417.9	236.6	266.4	113	439.8	314.5	320.7	102

1/ Preliminary. 2/ Includes minor quantities for smoking tobacco, chewing tobacco and snuff. Detail may not add to total due to rounding. ** Greater than 1000 percent.
Compiled from publications and records of the Bureau of the Census.

Zimbabwe, one of the United States' major foreign competitors, has sold its surplus from the 1979/80 crop, and the season just ending brought a record price for that country. Improved quality was evident. Zimbabwe has increased its flue-cured quota for 1982 by 35 percent. Production in other competing countries remains large. Still, for the current marketing year, U.S. exports may exceed the 553 million pounds of July 1980-June 1981.

Tobacco Exports in 1980/81 Reach $2.43 Billion

With an expanding cigarette market overseas, U.S. firms exported a record $1.18 billion in tobacco products in the 12 months ending June 30, 1981. Along with unmanufactured tobacco exports worth $1.25 billion, the total value of exports of tobacco and products reached a record $2.43 billion, 3 percent above 1979/80. With about the same volume expected and higher prices likely, the 1981/82 total may set another record.

Reduced supplies of last season's flue-cured and burley crops brought U.S. unmanufactured tobacco exports in 1980/81 down 11 percent to 533 million pounds (658 million, farm-sales weight). But higher prices meant the total value of exports fell only 4 percent from a year earlier (table 9).

Tobacco Import Rise Continues

Both U.S. cigar and cigarette manufacturers use imported tobacco in their blends. For the year ending June 30, U.S. cigarettes contained about 30 percent imported tobacco, and cigars about 60 percent. U.S. imports of cigarette leaf tobacco during January-June were valued at $1.16 a pound, excluding ocean freight and duty. For most imports of cigarette leaf, duty is 11.5 cents a pound, yet most imports still cost considerably less than domestic filler. This could be because Oriental tobacco—the bulk of the cigarette leaf imports—the entire leaf is usable without stemming. Mechanically threshed leaf is dutiable at 17.5 cents a pound under the tariff category "tobacco manufactured or unmanufactured, not specifically provided for". Before a reclassification by Customs Service, effective July 1980, most of the threshed tobacco was entered as "scrap".

World Cigarette Production And Trade Up[1]

World production of cigarettes gained 1.4 percent last year (table 29), the same growth rate as the past few years. The slow rate is expected to continue partly because of anti-smoking campaigns, increased excise taxes, higher retail prices, and, for some countries, reduced real incomes. Indications are that China, the largest producer, may have had no change in output last year. Increases occurred primarily in developing countries, as smokers continued to switch from roll-your-own to factory-made cigarettes. The Soviet Union, Japan, France, and Italy recorded declines.

[1]See Foreign Agriculture Circular, FT 4-81, June 1981, *World Cigarette Production and Trade Continued Upward in 1980.*

Table 10—Imported foreign-grown cigarette leaf stocks, by quarters, 1972-81[1]

Year	Jan. 1	April 1	July 1	Oct. 1	Jan. 1	April 1	July 1	Oct. 1
					Million pounds			
		Foreign-grown flue-cured				*Foreign-grown oriental and aromatic*		
1972	12	12	24	19	320	357	389	360
1973	31	31	40	38	369	376	387	360
1974	38	44	47	54	355	374	383	350
1975	53	49	70	70	377	412	415	380
1976	74	73	72	101	361	431	416	405
1977	100	102	109	117	397	365	362	347
1978	117	120	130	132	344	364	345	295
1979	132	133	147	157	326	359	366	350
1980	153	148	166	166	343	342	367	336
1981	152	140	161		316	332	324	
		Foreign-grown burley				*Total imported cigarette leaf*		
1972	7	9	9	11	339	377	423	390
1973	17	24	27	36	418	431	455	434
1974	49	59	67	88	442	477	497	493
1975	118	107	145	136	548	567	623	587
1976	134	124	132	141	568	628	619	646
1977	139	132	127	138	637	599	598	602
1978	140	136	150	174	601	619	625	601
1979	172	163	171	188	630	655	684	696
1980	187	192	213	216	683	683	746	719
1981	208	211	244		676	684	729	

[1]Farm sales weight.

Table 11 - U.S. Improts of unmanufactured and other tobacco: Quantity and average value by kinds 1980/81

Kind	Quantity: Year ending June 30, 1981	Quantity: Change from 1979/80	Value per pound: Year ending June 30, 1981
	Million pounds		Dollars
		Imports for consumption	
Cigarette 1/			
Flue-cured leaf	17.3	+11.7	0.74
Burley leaf	48.5	+37.3	.90
Other leaf (oriental)	175.9	+1.1	1.34
Scrap	19.6	-111.3	.59
Manufactured or not mfd., NSPF	73.4	+71.2	1.30
Cigar			
Leaf	8.7	+2.7	1.96
Scrap	42.6	+6.2	.74
Stems	31.9	+7.8	.20
Total	417.9	+26.7	1.07
		General Imports	
Cigarette 1/			
Flue-cured leaf	17.6	+3.0	.81
Burley leaf	61.9	+21.9	.83
Other leaf (oriental)	149.8	-15.2	1.52
Scrap	17.7	-111.8	.63
Manufactured or not mfd., NSPF	97.8	+95.7	1.50
Cigar			
Leaf	24.8	-1.1	1.29
Scrap	32.5	+5.7	.70
Stems	37.8	+11.2	.19
Total	439.8	+11.6	1.17

1/Includes minor quantities for smoking tobacco, chewing tobacco and snuff.
Compiled from publications and records of the Bureau of the Census.

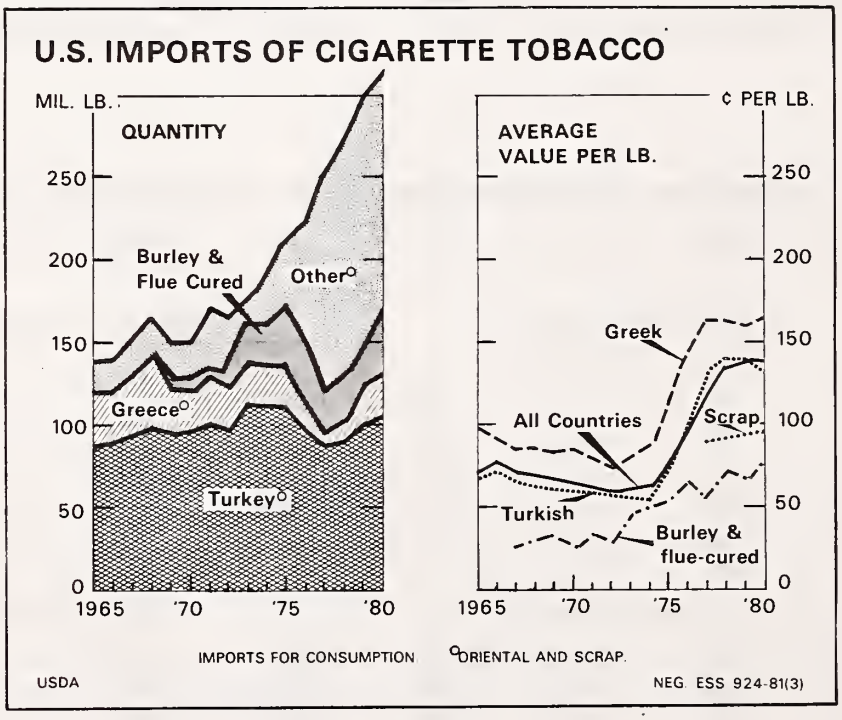


Table 12—Tobacco: Acreage, yield and production, United States, 1965-81

Year	Acreage harvested	Yield per acre	Production
	Thousand acres	*Pounds*	*Million pounds*
Average			
1965-69	942	1,958	1,845
1970-74	886	2,053	1,819
1975	1,086	2,008	2,182
1976	1,047	2,041	2,137
1977	966	1,982	1,914
1978	964	2,101	2,025
1979	827	1,845	1,527
1980	915	1,945	1,779
1981[1]	958	2,051	1,965

[1]Indicated September 1, 1981

World cigarette trade rose to an alltime high in 1980, 4 percent over 1979. The United States, Bulgaria, West Germany, Netherlands, and the United Kingdom accounted for four-fifths of total exports.

World Leaf Trade Down

Last year, declining exports from Brazil, Bulgaria, Canada, Cuba, and the Dominican Republic more than offset a 6-percent jump in U.S. leaf exports and increases for several other major countries, including Zimbabwe and India. World exports of leaf tobacco were 1.31 million tons, 4 percent below 1979. Little change is expected in 1981. Because of relatively stable consumption of cigarettes, leaf production has lagged behind use over the past 2 years, and stocks in many countries have fallen.

World imports decreased slightly during 1980. Among leading importers, the United Kingdom, France, West Germany, and Japan registered declines. The Netherlands' imports remained about the same. The PRC purchased a substantial volume, estimated near 50,000 tons.

Trade Commission Opposes Import Quotas[2]

The United States ITC voted 3 to 1 on August 4 to recommend against placing quotas on imports of flue-cured tobacco. USDA and tobacco-grower groups had requested the quotas to protect the price support program. The ITC recommendation has been sent to President Reagan, who can accept or reject the findings. Presently there are no quantitative restrictions on tobacco imports.

On June 24 and 25, the ITC held "Section 22" hearings on tobacco for the first time ever. USDA contended that lower priced tobacco imports were increasing and causing a buildup of potentially unsalable stocks in the Stabilization pools. The 1974 crop brought a loss of $6 million, but for the 1975-80 crop loans that remain outstanding, USDA estimated the total loss could reach $93 to $123 million.

U.S. TOBACCO LEAF SITUATION AND OUTLOOK[3]

For this past marketing year, about 60 percent of the U.S. tobacco crop was bought for domestic manufacturing and about 40 percent went into export. Disappearance of U.S. leaf fell below 1.8 billion pounds. For 1981, farm quotas were boosted for burley and decreased for flue cured. Acreage increased, and yields gained, bringing the production forecast up to 1.97 billion pounds. This is 11 percent larger than last year and 4 percent above the average for 1970-79 (table 13). However, weather and other factors can still affect final production. Disappearance is expected to fall short of 1981's output, so stocks may gain in 1981/82.

1981 Crop Loans Carry "Floating" Interest Rate

Commodity Credit Corporation (CCC) loans for the 1981 crop began at 14-1/2 percent, an increase from the 11-1/2 percent charged for 1980's production. Also, outstanding CCC loans for the 1981 crop will be adjusted each October 1 and April 1 to reflect the cost to CCC of borrowing money from the U.S. Treasury. Loan cooperatives add interest and processing and other costs to the loan rate to set their selling prices. The rise in interest costs will further add to the overall cost of U.S. leaf for domestic and foreign buyers.

USDA Proposes Rules for Grading Fees

USDA has proposed regulations on auction market fees for tobacco inspection and certification and other related costs, as required by the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), approved August 13, 1981. Fees at designated auction markets are proposed at 0.45 cent a pound, effective October 1, 1981. Fee are to be paid by sellers at auction and collected by USDA from the warehouse operator.

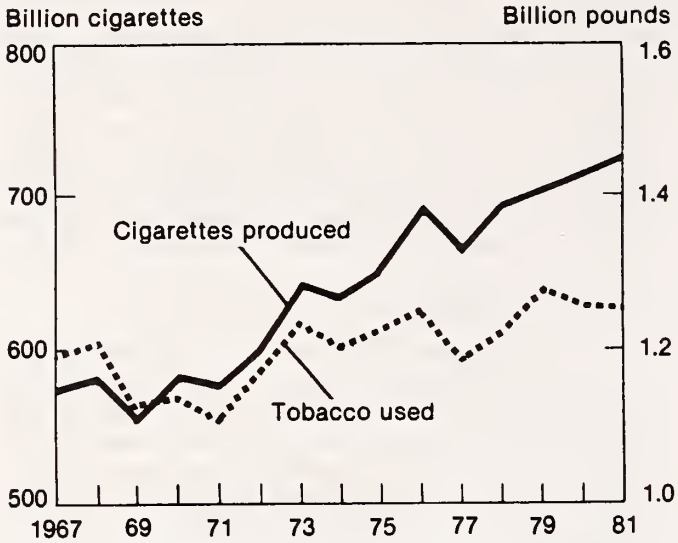
Before this change, the Department provided free, mandatory inspection of tobacco at designated auction markets, under the Tobacco Inspection Act of 1935.

The new law also mandates a National Advisory Committee for Inspection Services. The committee is to consist of 10 producer representatives and 10 alternates to be nominated by various farm organizations. The regula-

[2]*Certain Tobacco.* Report to the President on Investigation 22-43, U.S. ITC Publication 1174, August 1981.

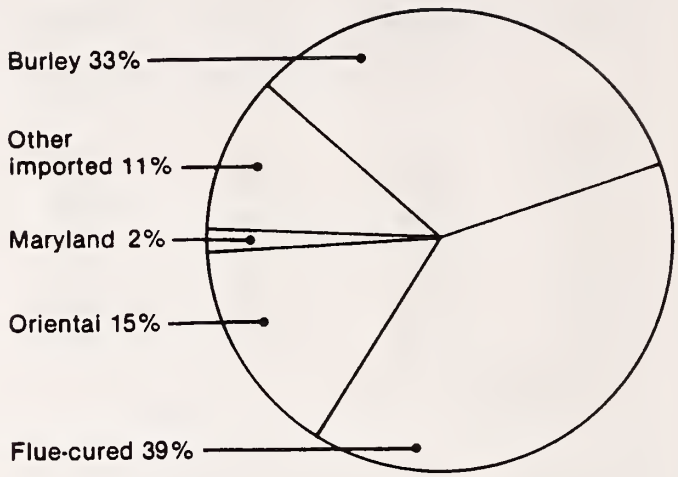
[3]All quantities in this section are stated in the farm-sales weight equivalent, unless otherwise noted.

Cigarettes Produced and Tobacco Used



Billion pounds in unstemmed processing weight. 1981 forecast.

Tobacco Use in Cigarettes



1978-80 average.

Table 13—U.S. tobacco allotments, by kinds of tobacco, 1981

Kinds	Allotments	Acreage allotted	Poundage allotted	Average size of allotment
	Number	*Acres*	*Million pounds*	*Acres*
Flue-cured (11-14)[1]	194,132	603,000	1,111.8	[2]5,727
Burley (31)[3]	306,592	—	848.1	[2]2,766
Va. fire-cured	4,950	9,562	—	1.93
Ky.-Tenn. fire-cured (22-23)	14,263	26,416	—	1.85
Dark air-cured (35-36)	19,012	13,359	—	.70
Va. sun-cured (37)	728	1,333	—	1.83
Cigar binder (51-52)	440	3,658	—	8.31
Cigar filler and binder (42-44, 53-55)	5,559	18,876	—	3.40
Total	545,676	676,204	1,959.9	—

[1]Acreage poundage with national average yield goal of 1,854 pounds per acre. [2]Pounds. [3]Poundage quota.

Compiled from records of the Price Support and Loan Division, ASCS, USDA.

tions on voluntary inspection at redrying plants and receiving points remain in effect with prescribed hourly rates.

1982 Supports and Marketing Quotas

For eligible 1982 crops, the overall price support seems likely to rise 11 percent above 1981. This estimate is based on indicated changes in the parity index. As required by law, the price support adjustment for 1982 will be based on the average of the parity index in 1979, 1980, and 1981, compared with 1959. Price supports increased 12.2 percent for 1981.

USDA is considering written comments on the size of the 1982 flue-cured marketing quota. Comments must be received by November 6. By December 1, USDA will announce the quota (acreage-poundage) and the matching national acreage allotment. Individual farm quotas and acreage allotments for next year will reflect this year's overmarketings and undermarketings. Marketings are forecast to fall short of the effective quota, so the carryover means that next year's effective quota could exceed the basic quota (table 14). Acreage-poundage controls have been in effect since 1965. The program was overwhelmingly approved by allotment holders in the last vote in December 1979.

By February 1, USDA will announce the 1982 poundage quota for burley and acreage allotments for other kinds of tobacco under quota. Shortly after that announcement, growers of fire-cured and dark air-cured types will vote in referendums for or against marketing

Table 14—Flue-cured tobacco auction markets: Gross sales, average price, loan receipts, sales dates, through Sept. 11, 1980 and Sept. 10, 1981

Type and State	Gross sales		Average price per pound		Loan receipts				Sales period	
					Volume		Percent of sales		Opening date	Closing date
	1980	1981	1980	1981	1980	1981	1980	1981	1981 (1980)	1981 (1980)
	Million pounds		*Cents*		*Million pounds*		*Percent*			
14, Ga.-Fla.	106.8	118.1	140.2	167.0	14.2	5.1	13.3	4.4	July 14 (July 21)	(Oct. 9)
13, S.C.-Border N.C.	132.5	170.5	140.8	166.9	17.1	8.5	12.9	5.0	July 20 (July 28)	(Nov. 3)
12, Eastern N.C.	209.5	233.7	144.8	169.4	16.8	17.5	8.0	7.8	July 22 (July 29)	(Nov. 17)
11, old and middle Belts N.C., Va.[1]	137.8	177.1	139.0	158.1	7.5	11.5	5.5	6.5	July 28 (Aug. 4)	(Nov. 13)
All Belts[2]	586.6	689.4	141.7	165.2	55.7	42.6	9.5	6.2	(July 21)	(Nov. 13)

[1]Four Sandhills" markets opened with type 12, Eastern N.C. [2]Computed from unrounded data.

Compiled from reports of Tobacco Division, AMS.

Table 15—Flue-cured and burley tobacco: Marketing quota and marketings, 1971-81

Year	Quota		Marketings			Effective underquota[1]	Net carryover[2]
	Basic	Effective	Actual	over-quota	Under-quota		
			Million pounds				
			Flue-cured, types 11-14				
1971	1,071.6	1,069.9	1,076.3	60.4	49.9	45.8	-14.5
1972	1,071.2	1,056.7	1,022.1	41.2	72.9	68.1	26.8
1973	1,178.7	1,205.6	1,159.0	54.8	100.5	95.3	40.5
1974	1,296.6	1,337.1	1,245.3	50.0	138.9	132.4	82.5
1975	1,491.4	1,572.3	1,414.6	50.9	203.2	192.3	141.0
1976	1,268.1	1,409.1	1,316.0	49.4	139.9	130.2	80.8
1977	1,116.5	1,197.3	1,124.2	42.6	115.2	106.9	64.3
1978	1,117.2	1,181.5	1,205.9	65.6	43.9	41.8	-26.4
1979	1,094.9	1,068.5	973.8	24.8	118.8	117.0	92.2
1980[3]	1,095.0	1,187.3	1,084.6	36.0	137.9	135.1	99.1
1981[4]	1,012.6	1,111.7					
			Burley, type 31				
1971	555.1	553.0	471.5	9.7	91.1	89.7	80.1
1972	531.5	611.5	588.6	30.7	45.7	44.6	13.9
1973	559.7	573.6	460.7	11.3	113.1	111.7	100.3
1974	606.5	706.8	610.4	23.0	118.9	104.0	81.0
1975	669.5	750.4	639.9	21.8	127.5	113.4	91.6
1976	634.8	726.4	663.6	33.1	96.2	82.3	49.2
1977	636.2	683.4	612.6	27.2	99.0	80.8	53.6
1978	614.2	667.8	614.2	31.5	88.2	67.6	36.1
1979	613.6	649.7	472.2	12.2	188.6	168.8	155.2
1980[3]	615.0	769.2	557.5	11.6	224.3	200.1	188.5
1981[4]	659.6	848.1					

[1]Underquota marketings less ineligible carryover. [2]Effective underquota marketings less overquota marketings. [3]Subject to revision. [4]Preliminary.

Compiled from records and reports of Price Support and Loan Division, ASCS.

quotas on their next three crops. In previous referendums, producers of burley, Virginia sun cured, Ohio filler, and binder types approved marketing quotas applicable to the 1981 crop.

Maryland and Pennsylvania tobacco growers turned down marketing quotas in the last referendum (1980), so Government price support is not available for 1980-82 crops. Pennsylvania filler has never had marketing quotas. For Maryland, quotas last applied to the 1965 crop. In Puerto Rico, the Commonwealth Government has set quotas for filler tobacco for many years. However, shade-produced wrapper (types 61-62) is not covered by marketing quota legislation.

Flue cured

Sales Bring Record Price

Normal rainfall and temperatures over most of the flue-cured belt (types 11-14), brought a considerable improvement in crop quality. Last season's hot, dry weather reduced the quality. With higher supports, most grade prices are sharply above a year ago, and overall auctions are averaging about one-sixth above 1980. The 1981 marketing season began a week earlier than last year. The Georgia-Florida markets opened July 14, and others followed in successive weeks. The market opening was ahead of crop maturity, but with prices somewhat above grower expectations, weekly sales opportunities (USDA-sanctioned schedules) were fully used after July 23.

About the same share of producers signed up for USDA's "4-leaf" program this year as last—14 percent. This program allows growers to plant up to 10 percent more acreage provided they leave the four bottom leaves in the field. Many growers who did not sign up used this practice anyway to increase average returns. So far this season, price-support loan receipts have been below 1980's volume.

At auctions through September 10, flue-cured tobacco averaged $1.64 a pound—about one-sixth above the same period last season (table 15). Grade averages were higher. By mid-September, about two-thirds of the crop had been sold—the same as a year earlier.

Loan Receipts Below 1980

The price support level for the 1981 flue-cured crop averaged $1.587 a pound. With the crop outturn above likely disappearance, but with more leaf graded fair and good, loan receipts through August 27 were 35 million pounds—about 7 percent of marketings. In the comparable period of 1980, 12 percent went under loan.

To receive price support, flue-cured growers must certify they did not use DDT, endrin, toxaphene, or TDE pesticides and must designate one or more warehouses within 100 miles of their county seat for selling their crop. Under quota legislation, growers receive price support on marketings up to 110 percent of their farm poundage quota. Marketings above the poundage quota are deducted from the following year's quota. For marketings above 110 percent, growers must pay a penalty of $1.08 a pound (75 percent of the average market price for the preceding year).

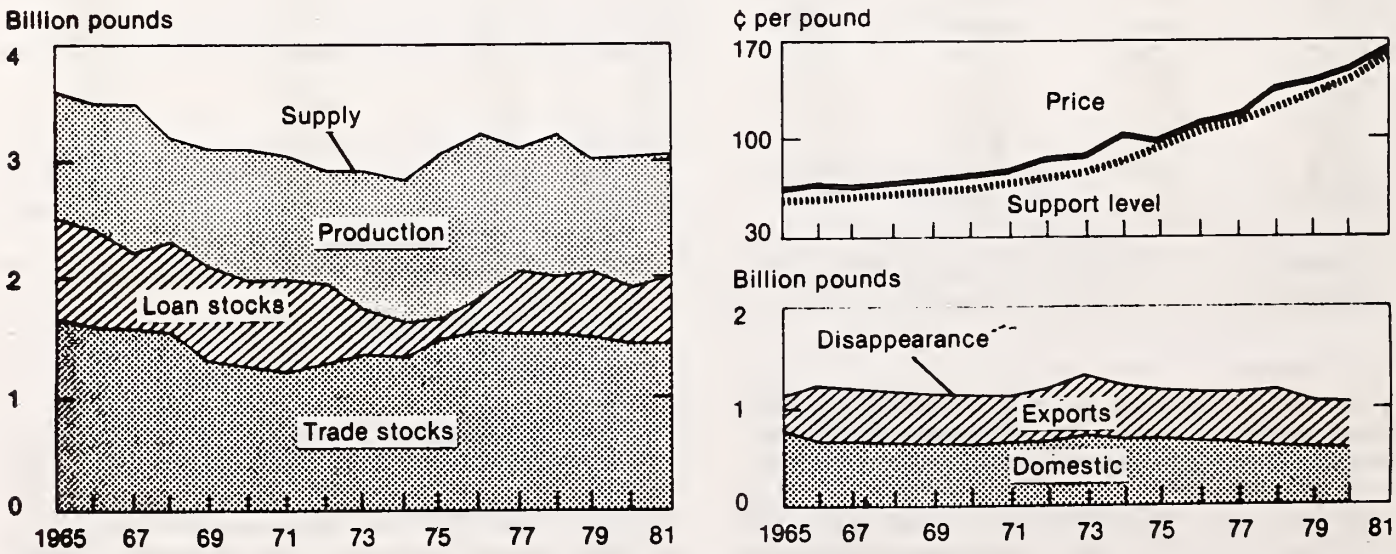
The September crop report indicates that this season's marketings will fall slightly below the effective quota. This has been was the case in 8 of the last 10 years (table 16). Some growers have tobacco in excess of their allowable 110 percent. Without additional leasing, such tobacco will have to be carried over on farms, because Stabilization or other firms have no provisions for receiving and processing this tobacco. Where no sales occur, no marketing penalties are assessed.

Disappearance Lower

Last year, disappearance of flue-cured tobacco was about 1 billion pounds, about 6 percent below the previous year's total (table 17). Both exports and domestic use fell in 1980/81, making total disappearance the lowest since 1943/44.

The 3 percent decline in domestic disappearance relates to further gains in use of imported tobacco and adoption of various economies in tobacco use. Because of a hike in leaf costs and a slow change in cigarette output, domestic disappearance during 1981/82 is likely to continue to decline.

Flue-Cured Tobacco: Supply, Price, Use



Trade stocks include manufacturers' and dealers'. Crop year beginning July 1. 1980 preliminary, 1981 forecast.

Table 16 -- Flue-cured tobacco, types 11-14, and burley tobacco, type 31: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1971-81

(Farm-sales weight)

Marketing Year	Acreage Harvested	Yield per acre	Marketings	Beginning stocks 1/			Total supply
				Manufacturers and others	Under loan	Total	
	Thousand acres	Pounds	--- Million pounds ---				
			Flue-cured, types 11-14				
1971	525.8	2,050	1,076.3	1,214.5	761.9	1,976.4	3,052.7
1972	513.6	1,971	1,022.1	1,292.4	617.8	1,910.2	2,932.3
1973	575.1	2,011	1,159.0	1,347.0	402.3	1,749.3	2,908.3
1974	616.3	2,014	1,245.1	1,330.6	276.7	1,607.3	2,852.4
1975	717.2	1,973	1,414.7	1,471.9	179.9	1,651.8	3,066.5
1976	666.6	1,974	1,316.0	3/ 1,539.1	359.2	3/ 1,898.3	3,214.3
1977	589.3	1,917	1,124.2	1,517.6	556.9	4/ 2,075.0	3,199.2
1978	602.1	2,046	1,205.9	1,517.9	534.0	4/ 2,051.9	3,257.8
1979	502.8	1,881	973.8	1,510.8	564.0	2,074.8	3,048.5
1980	551.8	1,968	1,086.1	1,411.0	554.4	1,965.4	3,051.
1981 5/	531.8	2,077	1,104.4	1.416.8	595.8	2,012.6	3,061.1
			Burley, type 31				
1971	213.5	2,213	2/ 472.6	882.4	468.4	1,345.8	1,818.4
1972	235.6	2,552	590.3	920.9	327.6	1,248.5	1,838.8
1973	221.1	2,028	461.4	952.5	276.7	1,229.2	1,690.6
1974	260.7	2,350	610.4	931.5	139.2	1,070.7	1,681.1
1975	282.2	2,265	638.3	1,082.4	12.0	1,094.4	1,732.7
1976	285.8	2,376	663.8	3/ 1,115.3	44.8	3/1,160.1	1,823.7
1977	268.6	2,298	612.5	1,162.3	54.9	4/1,217.2	1,829.7
1978	261.4	2,396	617.6	1,087.0	113.5	4/1,218.4	1,836.0
1979	238.1	1,873	445.8	1,056.3	155.4	1,211.7	1,657.5
1980	276.9	2,013	557.5	959.5	66.3	1,025.8	1,583.3
1981 5/	325.5	2,181	710.0	1,002.0	1.3	1,003.3	1,713.3

Marketing Year	Disappearance: Total	Disappearance: Domestic	Disappearance: Exports	Average price per pound	Price support level	Placed under loan: Quantity	Placed under loan: Percentage of crop
	---Million pounds---			---Cents---		---Million pounds---	Percent
			Flue-cured, types 11-14				
1971	1,142.5	662.5	480.0	77.2	69.4	55.7	5.2
1972	1,183.0	664.2	518.8	85.3	72.7	24.3	2.4
1973	1,301.0	703.0	598.0	88.1	76.6	30.7	2.7
1974	1,200.6	652.3	548.3	105.0	83.3	23.0	1.9
1975	1,193.1	670.6	522.5	99.8	93.2	259.0	18.4
1976	1,148.2	634.0	514.2	110.4	106.0	277.3	21.0
1977	1,147.3	608.2	539.1	117.6	113.8	195.6	17.3
1978	1,182.8	584.1	598.7	135.0	121.0	64.1	5.3
1979	1,083.4	563.2	520.0	140.0	129.3	72.0	7.4
1980	1,038.9	548.9	490.0	144.5	141.5	138.3	12.7
1981					158.7		
			Burley, type 31				
1971	569.9	515.2	54.7	80.9	71.5	.2	---
1972	609.6	534.5	75.1	79.2	74.9	22.9	3.9
1973	619.0	533.1	86.8	92.9	78.9	.7	.1
1974	586.7	518.8	67.9	113.7	85.8	2.8	.4
1975	602.5	510.1	92.4	105.5	96.1	50.7	7.9
1976	606.3	489.6	116.8	114.2	109.3	46.6	7.0
1977	611.3	494.8	116.5	120.0	117.3	57.0	9.2
1978	624.3	502.8	121.4	131.2	124.7	67.7	10.8
1979	631.8	498.5	133.3	145.2	133.3	7.3	1.5
1980	6/ 580.0	6/ 470.0	/100.0	165.9	145.9	.0	.0
1981					163.6		

1/ July 1 for flue-cured; October 1 for burley.

2/ Production.

3/ Adjusted for change in conversion factor January 1, 1977.

4/ Stocks revision January 1, 1979 report.

5/ September 1 crop estimate.

6/ Estimated.

Table 17.--United States exports of unmanufactured tobacco by types, to principal importing countries, crop years, 1978/79-1980/81 1/

(Declared weight)

Importing country	1978/79	1979/80	1980/81
	Million pounds		
	Flue-cured, types 11 - 14		
United Kingdom	92.4	40.9	32.2
West Germany	39.9	65.8	51.4
Japan	71.5	62.3	58.2
Netherlands	11.8	23.2	20.3
Thailand	15.1	15.0	17.0
Australia	8.6	10.6	8.7
Italy	16.0	15.8	15.5
Sweden	5.7	7.8	7.5
Norway	2.7	4.3	2.7
Finland	5.0	6.6	6.1
Denmark	14.4	6.0	7.3
Ireland	6.0	3.7	2.2
Belgium-Luxembourg	7.4	4.9	5.6
Switzerland	6.7	6.6	8.6
Rep. of Korea	17.4	9.8	.1
Philippines	5.8	7.8	6.2
Spain	10.4	14.0	24.9
Malaysia	9.6	6.7	4.6
Taiwan	33.9	24.1	13.2
Egypt	10.4	12.2	10.9
Other countries	48.8	50.5	57.8
Total	439.5	398.6	361.0
	Burley, type 31		
Italy	17.3	10.3	11.1
Sweden	2.0	2.8	.8
Denmark	2.4	4.2	.7
Netherlands	5.1	8.9	.6
Japan	14.8	9.6	13.6
West Germany	6.0	23.6	17.2
Switzerland	4.8	2.4	5.0
United Kingdom	4.5	1.2	.6
Thailand	4.6	7.6	3.6
Philippines	5.9	3.6	3.1
Other countries	18.5	17.4	10.2
Total	85.9	91.6	66.8
	Maryland, type 32		
Belgium-Luxembourg	.6	.4	.5
West Germany	1.7	.7	1.0
Switzerland	2.7	5.1	3.4
Other countries	2.7	1.4	.5
Total	7.7	7.6	5.4
	Ky.-Tenn. fire cured, types 22-23		
Sweden	.5	.7	.4
Netherlands	10.9	9.7	8.2
Belgium-Luxembourg	.3	.9	.4
France	.3	1.8	2.0
Switzerland	.8	.4	.2
Other countries	6.6	3.4	2.5
Total	19.4	16.4	13.7
	Stems, Trimmings, and Scrap 2/		
Sweden	3.0	4.5	4.5
Denmark	7.0	8.1	.6
United Kingdom	18.3	7.0	7.7
West Germany	11.2	9.4	11.1
Japan	19.5	13.2	22.6
Other countries	28.2	36.1	24.1
Total	87.2	78.3	71.6

Importing country	1978/79	1979/80	1980/81 2/
	Thousand pounds		
	Va. fire & sun-cured, types 21 & 37		
Switzerland	538	15	90
Norway	1716	1778	549
Sweden	416	192	216
West Germany	71	395	66
Other countries	383	856	468
Total	3124	3236	1389
	One Sucker, type 35		
Bahamas	0	13	0
Zaire	154	0	0
Other countries	68	106	2
Total	222	119	2
	Green River, type 36		
United Kingdom	42	13	42
Benin (Dahomey)	64	0	0
Zaire	117	0	0
Other countries	86	2	0
Total	309	15	42
	Cigar Filler, type 41-44		
Canada	13	0	18
France	77	89	121
Other countries	40	154	279
Total	130	243	418
	Binder, types 51-55		
Dominican Republic	53	68	60
Switzerland	15	0	0
Canada	2	75	108
Other countries	4	9	17
Total	74	152	185
	Cigar Wrapper, types 61-62		
United Kingdom	478	633	441
West Germany	87	68	40
Canada	22	58	20
Dominican Republic	3287	3433	2337
Netherlands	542	363	236
Other countries	313	255	459
Total	4729	4810	3532
	Black Fat		
Dahomey	1609	1162	1616
Cameroon	317	272	0
Niger	241	459	430
Nigeria	253	46	136
Togo	417	344	0
Other countries	127	127	457
Total	2964	2410	2639
	Other Unmanufactured		
Spain	0	2392	1235
Other countries	4717	5891	4453
Total	4717	8283	5688

1/ July-June crop year for flue-cured and cigar wrapper; October-September crop for all other types except October-July for 1980/81. 2/ Subject to revision.

Compiled from publications and records of the Bureau of the Census.

Flue-cured exports were reduced last season, because the U.S. crop was below average in quality. Competing foreign supplies were more adequate, and U.S. stocks overseas declined. With their continued price advantage, exports from Zimbabwe, Brazil, India, and Malawi increased.

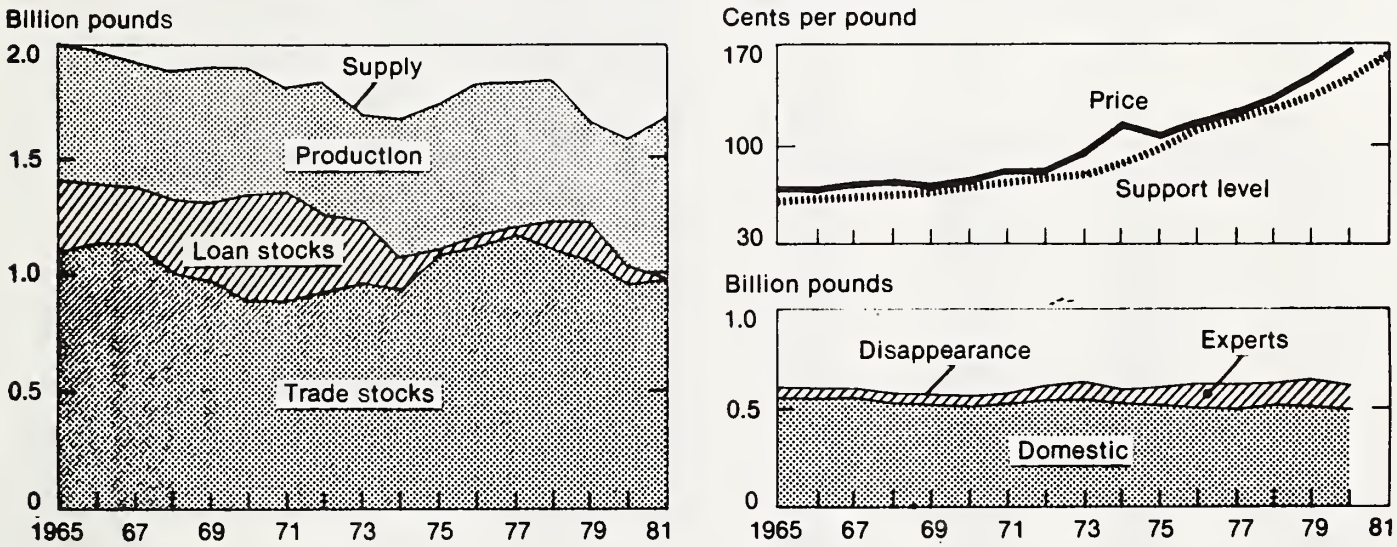
Among leading importers, the United Kingdom, West Germany, Japan, the Netherlands, Italy, Taiwan, and Thailand took less last season. Spain took more (table 18 and 19).

For 1981, U.S. exports to Europe are not expected to match last year, because overseas manufacturers are continuing to shift to such suppliersas Zimbabwe and Malawi. Purchases by Japan and other Far Eastern destinations may pick up. For most importing countries, high interest rates and the strong dollar are holding back leaf purchases this season.

Supplies Increase

The bigger crop and carryover brings the flue-cured supply for 1981/82 above last season. Flue-cured acreage for harvest in 1981 is down 4 percent from a year, but the national yield is estimated up 5 percent. About the same yields as last year are indicated for the Eastern North Carolina belt, with higher yields forecast for Georgia-Florida, Border North Carolina and South Caroli-

Burley Tobacco: Supply, Price, Use



Trade stocks include manufacturers' and dealers'. Crop year beginning October 1. 1980 preliminary, 1981 forecast.

Table 18—U.S. flue-cured tobacco exports: Percentage stemmed form of total, 1972-81

Year ending June 30	(unstemmed equivalent basis) Destination		
	United Kingdom	Other countries	All countries
		Percent	
1972	95.3	55.3	63.4
1974	99.1	61.7	69.9
1975	98.9	60.1	67.1
1976	99.4	66.1	71.3
1977	99.0	65.3	69.8
1978	94.7	68.7	73.0
1979	87.6	70.7	74.6
1980	93.4	79.2	80.4
1981	95.5	[1]85.4	86.3

[1]Federal Republic of Germany was 81.2 percent.

Table 19—Lease and transfer of allotments and quotas, 1972-81

Year	Flue-cured		Burley
	Thousand acres	*Million pounds*	*Million pounds*
1972	182.9	322.1	50.4
1973	192.9	363.1	57.7
1974	234.1	416.1	81.6
1975	251.4	474.8	99.6
1976	246.7	464.3	113.6
1977	241.6	448.8	124.2
1978	245.8	464.4	142.8
1979	267.7	477.3	130.1
1980[1]	279.2	499.9	140.3
1981[1]	250.8	475.7	68.0

[1]Preliminary. Data for 1963-71 are contained in TS-173, September 1980, p. 19.

Compiled from records of Price Support and Loan Division, ASCS.

Table 20.-- Flue-cured and burley tobacco: Stocks and stocks utilization ratios, manufacturers and dealers, 1952-81

(Farm-sales weight)

Marketing year	Flue-cured				Burley			
	Domestic manufacturers		Dealers		Domestic manufacturers		Dealers	
	Beginning stocks 1/	Stocks-usings ratio	Beginning stocks 1/	Stocks-exports ratio	Beginning stocks 2/	Stocks-usings ratio	Beginning stocks 2/	Stocks-exports ratio
	Million pounds	Number	Million pounds	Number	Million pounds	Number	Million pounds	Number
1952	1,364	1.65	185	0.44	899	1.73	39	1.34
1953	1,400	1.80	214	.50	918	1.86	48	1.37
1954	1,447	1.94	189	.44	920	1.90	51	1.55
1955	1,485	2.04	242	.44	867	1.79	48	1.41
1956	1,577	2.24	225	.48	884	1.83	38	1.36
1957	1,594	2.16	274	.62	980	2.05	36	1.29
1958	1,406	1.91	286	.65	958	1.98	40	1.14
1959	1,328	1.73	242	.58	952	1.91	29	.81
1960	1,286	1.62	263	.55	1,048	2.06	53	1.29
1961	1,337	1.71	247	.51	989	1.88	50	1.11
1962	1,467	1.89	237	.55	1,049	1.98	55	1.04
1963	1,478	1.92	307	.62	1,044	2.03	90	1.58
1964	1,406	1.81	283	.64	1,060	1.89	87	1.55
1965	1,363	1.81	274	.65	1,023	1.86	76	1.33
1966	1,349	1.96	253	.43	1,065	1.96	68	1.21
1967	1,306	1.90	281	.53	1,038	1.90	67	1.26
1968	1,258	1.87	271	.52	966	1.87	36	.65
1969	1,081	1.67	219	.41	942	1.86	34	.59
1970	1,014	1.58	214	.40	858	1.71	30	.56
1971	1,010	1.52	204	.43	854	1.66	28	.51
1972	1,087	1.64	206	.40	888	1.66	33	.44
1973	1,154	1.64	193	.32	920	1.73	32	.37
1974	1,154	1.77	176	.32	900	1.53	31	.46
1975	1,259	1.88	213	.41	1,032	1.71	51	.55
1976	1,356	2.13	183	.35	1,074	2.15	42	.36
1977	1,348	2.24	162	.34	1,102	2.18	49	.42
1978	1,343	2.30	171	.28	1,057	2.16	40	.32
1979	1,347	2.39	164	.32	1,021	2.05	36	.27
1980	1,324	2.41	87	.18	944	3/2.04	16	3/.14
1981	1,323		94		970		22	

1/ July 1. 2/ October 1. 3/ Estimated

na, and the Old and Middle Belts. The September 1 forecast for flue-cured production was 1.1 billion pounds—2 percent above 1980. Except for Eastern North Carolina, output is up in each belt.

Flue-cured carryover last July 1 totaled around 2 billion pounds, 2 percent above a year earlier. The supply—indicated production plus carryover—is about 2 percent above the approximate 3 billion in 1980/81. This year's supply is 2.9 times prospective use, or well above the desired ratio of 2.5, based on the legislative formula. With disappearance declining and marketings steadying, carryover next July 1 is expected to increase.

The relatively high stocks-use ratio may mean limited purchases by domestic manufacturers in the second half of the auction season (table 20 and 21). By September 1, uncommitted loan stocks of 1975-80 flue-cured tobacco—a component of the carryover and supply estimates—were reported above 405 million pounds, but 99 million below a year earlier. Stocks from the old crop, plus the loan volume from this year's crop, could mean unsold loan stocks will fall short of the 597 million pounds of last January. With the limited amount of priming grades, loan sales of these grades were heavy (table 22). January-August sales—192 million pounds—were up from 43 million a year earlier.

Burley

Burley tobacco (type 31) goes chiefly for cigarettes. In the marketing year just ending, nearly three-fourths is going for U.S. cigarettes, while exports will take about 20 percent, and other domestic products will use the rest. With short supplies, U.S. burley use has fallen from its 1979/80 record high. Both domestic use and exports have been hurt but may recover because an adequate supply is forthcoming.

Reduced Disappearance

Domestic use of burley tobacco for the year ending September 30 probably will fall below the 498 million pounds used in 1979/80 (table 21). Also with smaller exports, total disappearance is expected to drop 8 percent or so from last season's record 632 million pounds. The carryover seems likely to still be down because of the short crop last year.

Disappearance for the first 9 months of the marketing year was 442 million pounds, down 12 percent from a year earlier. Domestic use totaled 356 million pounds, down 25 million from last year. Because of inventory shifts, cigarette output gained 4 percent, but imports jumped sharply.

For the first 10 months, burley exports totaled 67 million pounds, 25 million below a year earlier. With a short U.S. crop, all major destinations except Italy and Japan took less.

Foreign burley production decreased 12 percent last year, with Brazil and the Philippines recording sharp declines. This year, foreign output may increase slightly. Italy, Spain, and the Republic of Korea account for the rise.

Table 21—Burley marketing quota, Kentucky, Tennessee, other States, 1979-80

State	Carryover (net)	Basic quota	Effective quota
		Million pounds	
1979			
Kentucky	.1	409.9	403.8
Tennessee	25.6	113.2	138.8
Other States	14.1	91.1	105.2
1980			
Kentucky	63.6	409.8	473.4
Tennessee	47.8	112.8	160.6
Other States	44.3	90.9	135.2
1981			
Kentucky	79.1	440.9	520.0
Tennessee	59.8	121.7	181.5
Other States	49.6	97.0	146.6

Compiled from records and reports of Price Support and Loan Division, ASCS.

Table 22—Burley tobacco: Percentage of selected groups, quality, and color categories of total, 1971-80

Crop year	Mixed group	1, 2, 3, quality	Tan color
		Percent	
1971	14.2	43.9	63.1
1972	16.7	50.6	67.0
1973	22.6	47.6	65.7
1974	31.4	40.0	54.7
1975	20.6	34.6	55.9
1976	14.7	45.8	55.8
1977	13.2	31.8	42.1
1978	9.1	37.7	49.5
1979	11.4	33.1	50.9
1980	20.0	26.6	53.3

Compiled from reports of Tobacco Division, AMS

Supplies Increase

The September estimate of the 1981 U.S. burley crop is 711 million pounds—27 percent above 1980's short crop. This season, the effective quota is larger, and both acreage and yields are up. Rainfall was excessive the first half of this season in many parts of the belt. Therefore, some burley was affected by blue mold.

Burley supply for 1981/82 is about 8 percent above last year. The prospective supply is 2.6 times probable disappearance and is below the desired ratio, based on the legislative formula of supply representing 2.75 years disappearance.

U.S. auction sales usually begin in late November. The 1980 crop sold for a record average of $1.66 a pound. Price supports for 1981 averaged $1.64 a pound, 12 percent above 1980. Grade loan rates are expected to range from $1.09 to $1.82 a pound.

Price Support and Grades Again Approved for Untied Burley

For 1981/82, USDA will provide official grading and price support for untied burley packed straight in bales and offered for sale at auctions. USDA will provide these services for tobacco up to marketing quota limits. For several years, the quantities from each grower were restricted. Last season, each grower was guaranteed support on the larger of either 1,500 pounds or 25 percent of the farm quota.

Table 23—Tobacco loan stocks, 1979-81 (Farm-sales weight)

Type	End of August		
	1979	1980	1981[1]
	Million pounds		
Flue-cured, 11-14	617.5	575.3	600.8
Burley, 31	164.8	103.5	28.9
Virginia, 21	2.6	3.3	2.8
Kentucky-Tennessee, 22-23	12.2	21.3	17.0
Kentucky-Tennessee, 35-36	4.3	5.9	7.1
Ohio, 42-44	1.0	.4	.4
Puerto Rican, 46	3.6	7.9	8.9
Connecticut Valley, 51-52	1.0	1.4	1.4
Wisconsin, 54	(2)	(2)	(2)
Wisconsin, 55	0	0	.3
Total	807.0	719.0	667.6
Uncommitted			
Flue-cured, 11-14,	533.6	[3]503.7	[3]405.0
Burley, 31	84.7	[3]5.5	[3]0

[1]July 31. [2]Negligible. [3]August 31.

Compiled from records of Producer Association Division, ASCS.

Southern Maryland

Southern Maryland tobacco (type 32), a light air-cured tobacco, goes almost entirely into cigarette production, with about one-third of the crop exported.

Use Down Sharply

Disappearance of Maryland tobacco during October 1980-June 1981 totaled 23 million pounds—2 million below a year earlier. Exports accounted for the decrease. Record prices received for the 1980 crop in April and May reflected the short outturn. By next January 1, carryover will decrease from this year's 33 million pounds (table 25).

Exports of Maryland tobacco were down in the first 10 months of the current marketing year, to 8 million pounds. Increased exports to other countries failed to offset the decline in exports to Switzerland, the major destination.

The crop is estimated at 40.3 million pounds, 17 million above 1980's crop. This includes a number of growers who have planted Maryland tobacco in the flue-cured States. Acreage allotments are not in effect, but in the flue-cured belt, the Agricultural Stabilization and Conservation Service requires that Maryland be grown on a separate farm from flue-cured. This year's crop, plus the estimated carryover, will provide a 1981/82 supply that is a tenth above this year.

The House Tobacco and Peanuts Subcommittee held a hearing July 15 on bills that would require USDA to apply penalties to flue-cured allotment holders who grow Maryland tobacco. There is a question as to whether the quota law, including penalties, applies to all nonquota tobacco grown in quota areas.

Table 24—Southern Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season average price, 1972-81 (Farm sales weight)

Marketing year[1]	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Stocks following Jan. 1	Total	Total	Domestic	Exports	
	Thousand acres	*Pounds*	*Million pounds*						*Cents*
1972	24.0	990	23.8	46.6	70.4	25.5	13.4	12.1	84.5
1973[2]	27.8	1,260	35.0	43.8	78.8	26.1	13.8	12.3	87.8
1974[2]	26.0	1,260	32.8	51.7	84.5	33.5	25.0	8.5	92.2
1975[2]	23.0	955	22.0	53.6	75.6	35.7	26.0	9.7	107.5
1976[2]	25.0	1,205	30.1	41.9	72.0	29.9	17.4	12.5	110.0
1977[2]	25.0	1,230	30.8	45.3	76.1	29.0	19.6	9.4	115.1
1978[2]	24.0	1,275	30.6	41.9	72.5	31.1	21.1	10.1	123.1
1979[2]	19.5	1,130	22.0	41.3	63.4	33.5	23.5	10.0	139.7
1980[2]	24.0	1,092	26.2	32.6	57.8	[3]31.0	[3]24.0	[3]7.0	[4]170.0
1981[5]	34.2	1,169	39.9	25.0	64.9				

[1]Year beginning October 1. [2]Includes sales and certification. [3]Estimated. [4]Auction sales. [5]Estimated carryover; September 1 crop estimate.

Table 25--Fire cured tobacco, Kentucky-Tennessee types 22-23, and Virginia fire-cured type 21
Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1972-81

(Farm-sales weight)

Marketing Year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks: Manufacturers and other	Beginning stocks: Under loan	Beginning stocks: Total	Total supply
	Thousand acres	Pounds	Million pounds				
	Kentucky-Tennessee fire-cured, types 22-23						
1972	20.4	1,844	37.6	55.0	1.2	56.2	93.8
1973	16.6	1,668	27.7	54.2	3.1	57.3	85.0
1974	16.2	1,602	26.0	44.0	1.1	45.1	71.1
1975	16.4	1,772	32.6	40.5	.1	40.7	73.3
1976	21.2	1,567	33.2	42.6	(1)	42.6	75.8
1977	25.6	1,767	45.2	41.2	(1)	41.2	86.4
1978	27.1	1,898	51.4	50.0	1.0	51.0	102.4
1979	22.1	1,791	39.6	54.0	11.1	65.1	104.7
1980	19.4	1,685	32.6	46.9	19.1	66.0	100.6
1981 2/	20.0	1,780	35.6			64.6	100.2
	Virginia fire-cured, type 21						
1972	4.8	970	4.7	7.9	.4	8.3	13.0
1973	4.7	1,205	5.7	7.6	(1)	7.6	13.3
1974	5.0	1,185	5.9	7.1	--	7.1	13.0
1975	5.0	975	4.9	7.1	.3	7.3	12.2
1976	5.3	1,000	5.3	7.4	(1)	7.4	12.7
1977	7.2	1,000	7.2	7.0	(1)	6.7	13.9
1978	6.1	1,120	6.8	7.9	.8	8.7	15.5
1979	4.8	1,135	5.4	8.2	2.7	10.9	16.3
1980	3.9	935	3.6	6.0	3.3	9.3	12.9
1981 2/	4.1	1,175	4.8			7.9	12.7

Marketing Year beginning October 1	Disappearance: Total	Disappearance: Domestic	Disappearance: Exports	Average price per pound	Price support level	Placed under loan: Quantity	Placed under loan: Percentage of crop
	Million pounds				Cents	Million pounds	Percent
	Kentucky-Tennessee fire-cured, types 22-23						
1972	36.5	14.2	22.3	57.3	50.8	2.8	7.4
1973	39.9	15.7	24.2	71.7	53.5	.2	.7
1974	30.3	14.5	15.8	93.4	58.2	.7	2.7
1975	30.7	12.2	18.5	104.7	65.2	.1	.4
1976	34.6	11.2	23.4	142.4	74.1	(1)	--
1977	35.4	17.4	18.0	132.3	79.5	1.1	2.4
1978	37.3	15.1	22.2	112.5	84.6	11.3	22.2
1979	36.7	18.0	18.7	115.2	90.3	11.4	28.8
1980	3/ 36.0	3/ 18.0	3/ 18.0	139.4	98.9	2.0	6.2
1981					111.0		
	Virginia fire-cured, type 21						
1972	5.4	1.3	4.1	64.2	50.8	(1)	.1
1973	6.2	1.7	4.5	75.5	53.5	(1)	--
1974	5.7	.7	5.0	81.7	58.2	.3	4.5
1975	4.8	1.4	3.4	93.0	65.2	(1)	.9
1976	6.1	4/ 2.0	4.1	116.0	74.1	.1	1.5
1977	5.2	2.6	2.4	96.2	79.5	1.0	14.4
1978	4.6	1.0	3.6	94.5	84.6	1.8	26.2
1979	7.0	3.2	3.8	107.9	90.3	.9	16.3
1980	3/ 5.0	3/ 2.0	3/ 3.0	4/ 126.7	98.9	.3	7.2
1981					111.0		

1/ Less than 50,000 pounds. 2/ Estimated, carryover; September 1 crop estimate. 3/ Estimated. 4/ Includes 400,000 pounds fire loss, December 1976.

Fire cured

Fire-cured tobacco is used for making snuff, plug and twist chewing tobacco, cigars, and smoking tobacco. About half the crop is exported. Prices and production have varied widely over the past 10 years.

Disappearance Slips

Disappearance of fire-cured tobacco (types 21-23) during the first 9 months of 1980/81 (began October 1, 1980) was 32 million pounds, 1 million below a year earlier. Domestic use steadied, while exports declined. During October 1980-June 1981, snuff output, the major domestic use of fire-cured, was about the same as a year earlier. Last season's crop recorded the biggest price jump since 1976's surge.

Estimated disappearance for the year is 41 million pounds, 3 million pounds below last season's but still above output. Carryover will probably fall about 5 million pounds from last year (table 26).

Compared with last year, lower exports of fire-cured tobacco are expected for the season now ending. Exports of 14 million pounds of Kentucky-Tennessee types during the first 10 months were about the same as a year earlier. In the same period, Virginia fire-cured exports, 1.4 million pounds, were below the previous year.

Stocks Decline, and Production Rises

The September estimate of fire-cured production was 40.4 million pounds, 11 percent above last year's crop, resulting from gains in both acreage and yields. Total supplies in 1981/82 will likely stay about the same as this year's 114 million pounds—less than 3 times disappearance.

Dark Air Cured

Dark air-cured tobacco (types 35-37) is used in plug, twist, fine-cut chewing tobacco, and snuff, and also to some extent for smoking tobacco and cigars. Production and use have declined by about one-half over the past two decades. Exports normally account for one-sixth of annual disappearance.

Use Down; Carryover to Rise

Disappearance of dark air-cured tobacco during the first 9 months was 10 million pounds, 4 million below a year earlier. Exports increased, but domestic disappearance declined. Because of a better quality crop, last season's prices gained over 1979/80.

For the year, total disappearance will likely drop by 3.5 million pounds from the 17 million of last year. This would mean a carryover of 40 million pounds, about 4 million above last October 1 (table 27).

Supplies to Increase

The September estimate of this year's dark air-cured crop is 18 million pounds—7 percent above last year's crop, because acreage for harvest is up. Yields are estimated about the same. The larger crop and carryover will bring 1981/82 supplies about 4.5 million pounds above last year's 53 million. Supplies represent 3 times the past season's use.

Cigar Tobacco

Cigar leaf tobaccos (types 41-62) are classified according to primary use—filler, binder, and wrapper. However, looseleaf chewing tobacco now takes most of the filler and binder. Most cigar wrapper is exported, but exports of binder and filler are negligible.

U.S. cigar leaf output increased last year, following a blue mold outbreak in 1979. Output will remain about the same this year.

Imports of cigar scrap remained large, and wrapper imports increased. The Philippines and countries in Central and South America are the chief foreign suppliers of cigar tobacco. About (130) million pounds of leaf are used annually for cigars and looseleaf chewing tobacco. Imports account for over one-half the tobacco in those products.

Filler Disappearance Stabilizes

For the first 9 months of 1980/81, disappearance of U.S. cigar filler tobacco (types 41-46) was 22 million pounds, 2 million below a year earlier. In the same period, production of looseleaf chewing tobacco and cigars decreased. So, for 1980/81, filler disappearance may drop 5 percent below the 30 million pounds of a year earlier (table 20).

During October 1980-June 1981, U.S. manufacturers used (51) million pounds of foreign cigar tobacco, 5 million above as a year earlier. U.S. stocks of foreign-grown cigar leaf on July 1 totaled 89 million pounds, 6 million below a year earlier.

Cigar Binder Disappearance Decreases

Cigar binder disappearance during the first 9 months was 15 million pounds, 4 million below a year earlier. For Wisconsin tobacco, loose-leaf chewing tobacco remains the major outlet. Output over the last 9 months was off 5 percent from a year earlier.

Disappearance of Connecticut Valley binder for 1980/81 remained at the previous season's level. Carryover is expected to total about 6 million pounds. With relatively stable demand for higher priced cigars expected next year, a further stock decrease is in prospect.

Disappearance of Wisconsin tobacco may fall from 1979/80. If so, disappearance will still remain below production, bringing carryover to around 56 million pounds—the largest since 1968.

Cigar Wrapper Disappearance Reduced

Disappearance of shade-grown wrapper (types 61-62) in the year ending June 30 fell to 6.1 million pounds, slightly below a year earlier. Production in the Connecticut Valley appears to be declining some from last year. Much of the Connecticut Valley crop goes overseas for

Table 26--Dark air-cured tobacco, types 36-36, and Sun-cured tobacco type 37: Acreage, yield production, carryover, supply, disappearance, season average price, and price support operations, 1972-81

(Farm-sales weight)

Marketing year beginning Oct. 1	Acreage harvested	Yield per acre	Production	Beginning stocks: Manufacturers and other	Beginning stocks: Under loan	Beginning stocks: Total	Total supply
	Thousand acres	Pounds	Million pounds				
			Dark air-cured, types 35-36				
1972	8.2	1,875	15.5	33.5	12.7	46.2	61.7
1973	7.6	1,647	12.4	31.9	12.8	44.7	57.1
1974	7.0	1,653	11.6	31.4	5.5	36.9	48.5
1975	8.0	1,750	14.0	32.7	([1])	32.9	46.9
1976	9.3	1,660	15.1	28.2	--	28.2	43.3
1977	11.2	1,809	20.4	26.1	--	26.1	46.5
1978	11.2	1,969	22.2	30.4	([1])	30.4	52.6
1979	9.7	1,665	16.1	30.0	4.1	34.1	50.2
1980	9.3	1,745	16.2	28.6	5.6	34.2	50.4
1981[2]	9.8	1,745	17.1			37.9	55.0
			Sun-cured, type 37				
1972	.8	1,010	.8	3.0	0	3.0	3.8
1973	.7	1,320	.9	3.2	0	3.2	4.1
1974	.7	1,315	.9	3.0	0	3.0	3.9
1975	.7	930	.7	2.3	0	2.3	3.0
1976	.7	1,115	.8	2.1	0	2.1	2.9
1977	.8	1,030	.8	1.8	0	1.8	2.6
1978	.7	1,205	.9	1.8	0	1.8	2.7
1979	.5	1,055	.6	2.2	0	2.2	2.8
1980	.4	1,010	.4	2.0	0	2.0	2.4
1981[2]	.5	1,200	.6	1.8	0	1.6	2.2

	Disappearance: Total	Disappearance: Domestic	Disappearance: Exports	Average price per pound	Price support level	Placed under loan: Quantity	Placed under loan: Percentage of crop
	Million pounds			Cents		Million pounds	Percent
			Dark air-cured, types 35-36				
1972	17.0	14.7	2.3	50.3	45.2	1.2	.8
1973	20.2	17.4	2.8	61.9	47.6	([1])	.2
1974	15.6	12.8	2.8	76.9	51.8	.4	3.7
1975	18.7	16.1	2.6	89.8	58.0	.1	.5
1976	17.2	15.1	2.1	116.6	65.9	([1])	--
1977	16.1	13.6	2.4	117.7	70.7	([1])	--
1978	18.4	15.7	2.7	99.1	75.2	4.3	19.7
1979	16.0	14.2	1.8	111.7	80.4	2.2	13.7
1980	3/12.5	3/10.0	3/2.5	126.5	88.0	1.4	8.6
1981					98.7		
			Sun-cured, type 37				
1972	.6	.4	.2	57.9	45.2	0	--
1973	1.1	.9	.2	69.2	47.6	0	--
1974	1.6	1.3	.3	82.1	51.8	[4]13	1.4
1975	.9	.7	.2	85.5	58.9	0	--
1976	1.1	.9	.2	105.0	65.9	0	--
1977	.8	.6	.1	100.0	70.7	[4]13	1.6
1978	.5	.3	.2	88.8	75.2	[4]109	12.4
1979	.8	.6	.2	90.8	80.4	[4]30	5.2
1980	3/.8	3/.7	3/.1	127.1	88.0	0	0
1981					98.7		

[1]Less than 50,000 pounds. [2]Estimated carryover. September 1 crop estimate . [3]Estimated. [4]Quantity placed under loan in thousands of pounds.

Table 27-Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, 1972-81
(Farm-sales weight)

Crop Year[1]	Acreage harvested	Yield per acre	Supply: Production	Supply: Beginning stocks[1]	Supply: Total supply	Disappearance: Total	Disappearance: Domestic	Disappearance: Exports	Average price per pound to growers
	Thousand acres	Pounds	Million pounds						Cents
			Pennsylvania Seedleaf Filler (type 41)						
1972	13.0	1,400	18.2	70.2	88.4	34.7	34.4	.3	46.0
1973	13.0	1,700	22.1	53.7	75.8	28.3	27.5	.8	52.0
1974	13.0	2,000	26.0	47.5	73.5	24.3	24.0	.3	58.0
1975	12.0	1,650	19.8	49.2	69.0	22.2	21.8	.4	58.0
1976	13.5	1,750	23.6	46.8	70.4	20.7	20.3	.4	60.0
1977	13.5	1,940	26.2	49.7	75.9	21.8	21.6	.2	60.0
1978	13.0	1,940	25.2	54.1	79.3	23.6	23.5	.1	62.0
1979	11.2	1,580	17.7	55.7	73.4	24.3	24.0	.3	72.0
1980[2/]	13.0	1,900	24.7	49.1	73.8	23.0	22.5	.5	87.0
1981[3/]	13.6	1,900	25.8	50.8	76.6				
			Ohio, Miami, Valley Filler (types 42-44)						
1972	2.4	1,780	4.2	7.0	11.2	4.4	4.4	--	44.0
1973	2.2	1,420	3.1	6.8	9.9	4.0	4.0	--	51.0
1974	2.0	1,530	3.1	5.9	9.0	3.1	3.1	--	59.0
1975	2.1	1,620	3.4	5.9	9.3	3.6	3.6	--	60.0
1976	2.2	1,550	3.4	5.7	9.1	3.1	3.1	--	59.0
1977	1.8	2,025	3.6	6.0	9.6	2.6	2.6	--	62.0
1978	1.6	1,850	3.0	7.0	10.0	3.7	3.7	--	64.0
1979	1.3	1,500	2.0	6.3	8.3	4.5	4.5	--	87.0
1980[2]	1.4	1,700	2.4	3.8	6.2	4.0	4.0	--	107.0
1981[3]	1.5	1,500	2.3	2.2	4.5				
			Puerto Rico Filler (type 46) 4/						
1972	5.6	883	4.8	12.7	17.5	8.3	8.3	--	42.1
1973	4.5	1,435	6.5	9.2	15.7	5.7	5.7	--	42.1
1974	2.7	1,477	3.9	10.0	14.0	7.9	7.9	--	45.5
1975	2.7	1,500	4.3	6.1	10.4	3.2	3.2	--	50.7
1976	2.8	1,429	4.1	7.2	11.3	4.9	4.9	--	57.6
1977	2.6	1,480	3.9	6.4	10.3	3.9	3.9	--	60.2
1978	2.2	1,400	3.1	6.4	9.5	2.6	2.6	--	57.0
1979	2.0	1,000	2.0	6.9	8.9	.8	.8	--	69.1
1980[2/]	1.2	1,250	1.5	8.1	9.6	1.0	1.0	--	73.5
1981[3/]	1.2	1,250	1.5	8.6	10.1				
			Total Cigar Filler (types 41-46)						
1972	21.0	1,293	27.2	89.9	117.1	47.4	47.1	.3	45.0
1973	19.7	1,450	31.7	69.7	101.4	38.0	37.2	.8	49.7
1974	17.7	1,870	33.1	63.4	96.5	35.3	35.0	.3	56.6
1975	16.8	1,687	27.5	61.2	88.5	28.8	28.4	.4	56.2
1976	18.5	1,681	33.1	59.7	90.2	28.1	27.7	.4	59.4
1977	17.9	1,883	33.7	62.1	95.8	28.3	27.0	.3	60.2
1978	16.8	1,863	31.3	67.5	98.8	29.9	29.8	.1	61.5
1979	14.5	1,475	21.7	68.9	90.6	29.6	29.3	.3	73.1
1980[2/]	15.6	1,833	28.6	61.0	89.6	28.0	27.5	.5	87.5
1981[3/]	16.3	1,816	29.6	61.6	91.2				
			Connecticut Valley Binder (types 51-52)						
1972	1.6	1,600	2.5	7.4	9.9	2.4	2.3	.1	70.1
1973	1.6	1,721	2.7	7.5	10.2	3.2	3.1	.1	72.8
1974	1.5	1,737	2.5	7.0	9.5	3.3	3.1	.2	82.0
1975	1.5	1,582	2.4	6.2	8.6	4.3	4.1	.2	92.7
1976	1.5	1,605	2.4	4.3	6.7	2.4	2.3	.1	89.6
1977	1.4	1,784	2.5	4.3	6.8	1.9	1.9	.*	121.3
1978	1.5	1,734	2.6	4.9	7.5	2.1	2.0	.1	144.9
1979	1.5	1,637	2.4	5.5	7.9	2.2	2.0	.2	161.5
1980[2/]	1.7	1,743	3.0	5.7	8.7	2.5	2.3	.2	180.0
1981[3]	1.5	1,645	2.9	6.2	9.1				
			Southern Wisconsin Binder (type 54)						
1972	5.0	1,685	8.4	20.3	28.7	9.3	8.3	--	48.0
1973	4.9	1,950	9.6	19.4	29.0	10.1	10.1	--	60.5
1974	4.7	2,060	9.7	18.9	28.6	8.8	8.8	--	74.9
1975	5.6	1,945	10.9	19.8	30.7	7.5	7.5	--	75.1
1976	5.6	1,890	10.6	23.2	33.8	10.0	10.0	--	74.7
1977	6.2	2,020	12.5	23.8	36.3	10.2	10.2	--	84.6
1978	6.2	1,800	11.2	26.0	37.2	11.4	11.4	--	100.5
1979	6.3	2,080	13.1	25.8	38.9	--	--	--	117.0
1980[2/]	6.2	2,050	12.7	5/					125.0
1981[3/]	6.3	2,000	12.6	5/					

See footnotes at end of table.

Table 27-Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1972-81 Cont.
(Farm-sales weight)

Crop year	Acreage harvested	Yield per acre	Supply: Production	Supply: Beginning stocks 1/	Supply: Total supply	Disappearance: Total	Disappearance: Domestic	Disappearance: Exports	Average price per pound to growers
	Thousand acres	Pounds	Million pounds						Cents
Northern Wisconsin Binder (type 55)									
1972	5.8	1,770	10.3	19.0	29.3	9.8	9.8	.*	49.0
1973	5.3	1,775	9.4	19.5	28.9	12.0	12.0	.*	60.7
1974	4.7	1,870	8.8	16.9	25.7	9.9	9.9	.*	75.4
1975	5.4	1,835	9.9	15.8	25.7	9.7	9.6	.1	75.1
1976	5.5	1,750	9.6	16.0	25.6	9.4	9.4	.*	75.2
1977	5.8	2,045	11.9	16.2	28.1	9.1	9.1	.1	85.5
1978	5.9	1,550	9.1	19.1	28.2	8.9	8.9	.1	100.5
1979	6.6	1,810	11.9	19.3	31.2	--	--	.1	117.0
1980 2/	6.6	1,850	12.6	5/					125.0
1981 3/	6.4	1,825	11.7	5/					
Total Wisconsin Binder (types 54-55)									
1972	10.8	1,731	18.7	39.3	58.0	19.1	19.1	*	48.5
1973	10.2	1,859	19.0	38.9	57.9	22.2	22.2	*	60.6
1974	9.4	1,965	18.5	35.8	54.3	18.7	18.7	*	75.1
1975	11.0	1,891	20.8	35.6	56.4	17.2	17.1	.1	75.1
1976	11.1	1,821	20.2	39.2	59.4	19.4	19.4	*	75.2
1977	12.0	2,032	24.4	40.0	64.4	19.3	19.3	.1	85.0
1978	12.1	1,678	20.3	45.1	65.4	20.1	20.1	*	100.5
1979	12.9	1,942	25.0	45.3	70.3	21.4	21.4	*	117.0
1980 2/	12.8	1,978	25.3	48.9	74.2	21.0	21.0	*	125.0
1981 3/	12.7	1,912	24.3	56.2	80.5	18.0	18.0		
Total Cigar Binder (types 51-55)									
1972	12.4	1,714	21.2	46.7	67.9	21.5	21.4	.1	51.1
1973	11.8	1,841	21.7	46.4	68.1	25.4	25.3	.1	62.1
1974	10.9	1,934	21.0	42.8	63.8	22.0	21.8	.2	76.0
1975	12.5	1,851	23.2	41.8	65.0	21.5	21.2	.3	76.9
1976	12.6	1,795	22.6	43.5	66.1	21.8	21.6	.2	76.5
1977	13.4	2,007	26.8	44.3	71.1	21.1	21.1	.1	88.4
1978	13.6	1,684	22.9	50.0	72.9	22.2	22.2	.1	105.6
1979	14.4	1,911	27.5	50.8	78.3	23.6	23.4	.2	120.9
1980 2/	14.5	1,950	28.3	54.6	82.9	20.5	20.3	.2	131.0
1981 3/	14.4	1,880	27.1	62.4	89.6				
Connecticut Valley Shade-grown (type 61)									
1972	4.1	1,250	5.1	13.2	18.3	7.6	4.8	2.8	485.0
1973	5.0	1,210	6.1	10.7	16.8	8.3	6.4	1.9	515.0
1974	4.8	1,625	7.8	8.5	16.3	6.8	2.8	3.9	600.0
1975	4.4	1,371	6.0	9.5	15.5	8.0	4.2	3.8	640.0
1976	4.2	1,555	6.6	7.5	14.1	5.2	1.8	3.4	540.0
1977	3.3	1,544	5.1	8.9	14.0	4.7	.5	4.2	600.0
1978	2.7	1,392	3.8	9.3	13.1	5.0	.1	4.9	750.0
1979	2.7	1,472	4.0	8.1	12.1	5.4	.5	4.9	850.0
1980	3.0	1,513	4.5	6.8	11.3	5.9	2.3	3.6	960.0
1981 3/	2.6	1,500	3.9	5.3	6.9				
Total Shade-grown (types 61-62) 6/									
1972	7.1	1,365	9.7	19.8	29.5	11.8	8.6	3.2	387.0
1973	7.6	1,280	9.8	17.7	27.5	12.5	10.1	2.4	452.2
1974	6.6	1,652	11.0	15.0	26.0	10.4	6.0	4.4	536.1
1975	5.5	1,409	7.7	15.7	23.4	9.8	5.6	4.2	585.7
1976	4.6	1,565	7.2	13.6	20.8	7.7	3.8	3.8	528.2
1977	3.4	1,547	5.3	13.1	18.4	5.8	1.0	4.8	591.4
1978	2.7	1,392	3.8	12.7	16.5	6.3	1.0	5.3	750.0
1979	2.7	1,472	4.0	10.2	14.2	6.5	1.1	5.4	850.0
1980	3.0	1,513	4.5	7.8	12.3	6.1	2.2	3.9	980.0
1981 3/	2.6	1,500	3.9	6.2	10.1				
Grand Total Cigar Tobacco (types 41-62)									
1972	40.4	1,434	58.1	156.4	214.5	80.7	77.1	3.6	104.4
1973	39.1	1,627	63.2	133.8	197.0	75.9	72.6	3.3	116.1
1974	35.2	1,848	65.1	121.2	186.3	67.7	62.8	4.9	142.5
1975	34.8	1,678	58.4	118.6	177.1	60.3	55.4	4.9	135.1
1976	35.7	1,709	61.0	116.8	177.7	58.2	53.7	4.4	121.4
1977	34.7	1,900	65.9	119.5	185.4	55.2	50.0	5.2	114.9
1978	33.1	1,752	58.0	130.1	188.2	58.6	53.2	5.5	122.1
1979	31.6	1,684	53.2	129.9	183.1	59.7	53.8	5.9	155.6
1980 2/	33.1	1,855	61.4	123.4	184.8	54.6	50.0	4.6	171.8
1981 3/	33.3	1,820	60.6	130.2	190.8				

1/October 1 for types 41-55; July 1 for types 61-62. 2/Estimated disappearance. 3/Estimated carryover; September 1 crop estimate. 4/Puerto Rican planting occurs late in calendar year. Price per pound excludes payment by Puerto Rican Government. 5/ Not available. 6/Includes Georgia-Flordia shade-grown, type 62 which has not been grown since 1978. July 1, 1981, stocks were 0.8 million pounds. See TS-176 for annual supply and disappearance.
*Less than 50,000 pounds.

processing, either to foreign buyers or to subsidiaries of U.S. firms in the Dominican Republic.

U.S. and Puerto Rican Supplies Rise

Supplies of U.S. and Puerto Rican cigar tobacco will rise slightly from 1980/81. The crop remains about the same, but the prospective carryover has risen. Binder supplies are up, while wrapper supplies are lower. By August 21, unsold loan stocks were 7.7 million pounds, packed weight, about the same as last year.

Filler: As of August 1, the Pennsylvania filler crop was indicated at 26 million pounds, 1 million above 1980. The new crop, plus carryover, will provide a supply close to last season.

Output of Ohio filler is stabilizing. As of August 1, the crop was 2.3 million pounds, virtually the same as last season's outturn. Even so, production, combined with carryover, will provide a total 1981/82 supply below that for last year.

Carryover of Puerto Rican filler will likely rise above the level on October 1, 1980. For 1981/82, the Puerto Rican Government is expected to announce a quota well above the harvest early this year. Production has been considerably below the announced quota for the past several seasons, even though the Commonwealth pays a subsidy as high as 23 cents a pound. Supply for 1981/82 may exceed the 9.6 million pounds of the past season.

Binder: Cigar binder acreage in the Connecticut Valley is up slightly, but yield indications are lower. As of August 1, production was estimated at 3 million pounds, slightly above last year. With a slightly higher carryover, supplies may increase.

Acreage of Wisconsin binder tobacco has steadied this year. With lower yield, production is indicated at 24 million pounds, down 1 million. Carryover will rise from a year ago, because output is exceeding use. So, supplies will grow in 1981/82.

Wrapper: There is no production of Georgia-Florida wrapper, and the indicated acreage of Connecticut Valley wrapper is down from 1980. Production may only reach 3.9 million pounds, and with the decline in carryover, the supply should drop to a record low—and only 1.7 times last year's disappearance.

Table 28—Cigar leaf tobacco price support operations, 1977-81 (Farm-sales weight)

Type	Placed under Government loan, crop years				Remaining under loan, end of August				
	1977	1978	1979	1980	1977	1978	1979	1980	1981[1]
	Million pounds								
Ohio, 42-44	0.4	0.6	0	0	0.4	0.5	1.0	0.4	0.4
Puerto Rican, 46	2.7	2.3	2.0	1.4	0	1.9	6.0	7.9	8.9
Conn. Valley, 51-52	.2	(2)	.6	.1	.9	1.0	1.0	1.4	1.4
Southern Wis., 54	(2)	0	0	0	(2)	(2)	(2)	(2)	(2)
Northern Wis., 55	0	0	0	.3	0	0	0	0	.3
Total	3.3	2.9	2.6	1.8	1.3	3.5	8.0	9.7	11.0

[1]July 31. [2]Negligible.

Compiled from records of the Producer Associations Division, ASCS.

Table 29—Cigarettes: Estimated world output and exports, specified countries, average 1971-75 annual 1977-80

Country	Average 1971-75	1977	1978	1979	1980	% change 1979-80
			Billions			*Percent*
			Production			
China, People's Rep. of	654.8	725.0	740.0	750.0	750.0	0
United States	621.2	665.9	695.9	704.2	714.3	+1
United Kingdom	152.6	154.6	157.6	153.1	155.6	+2
West Germany	135.2	137.0	149.7	157.5	159.3	+1
France	76.5	80.1	80.9	77.5	73.1	
Italy	66.7	75.2	71.6	68.8	73.1	+6
Other EC-9[1]	89.5	102.5	103.7	112.2	111.4	
Total	520.5	549.4	563.5	569.1	572.5	+1
USSR	358.3	382.0	377.4	360.3	350.0	
Japan	266.4	303.8	302.6	308.3	303.2	
Brazil	92.4	129.0	137.0	137.0	142.3	+4
Other	97.6	1,385.8	1,405.6	1,482.3	1,541.1	+4
Total	3,711.2	4,140.9	4,222.0	4,311.2	4,373.4	+1
			Exports			
United States	41.0	66.8	74.4	79.7	82.0	+3
Bulgaria	54.8	61.7	64.2	65.0	66.0	+2
United Kingdom	20.7	28.7	28.7	32.0	36.9	+15
Switzerland	10.7	14.6	14.3	11.3	8.7	3
West Germany	9.9	24.2	27.8	33.4	31.6	
Netherlands	11.3	14.7	20.4	26.0	30.1	+16
Other	41.1	47.7	49.4	54.2	58.9	+9
Total	189.5	258.6	279.1	301.6	314.2	+4

[1]Belgium-Luxembourg, Denmark, Greece, Ireland, Netherlands.

Compiled from USDA, FAS, Foreign Agriculture Circular, FT 4-81, July 1981.

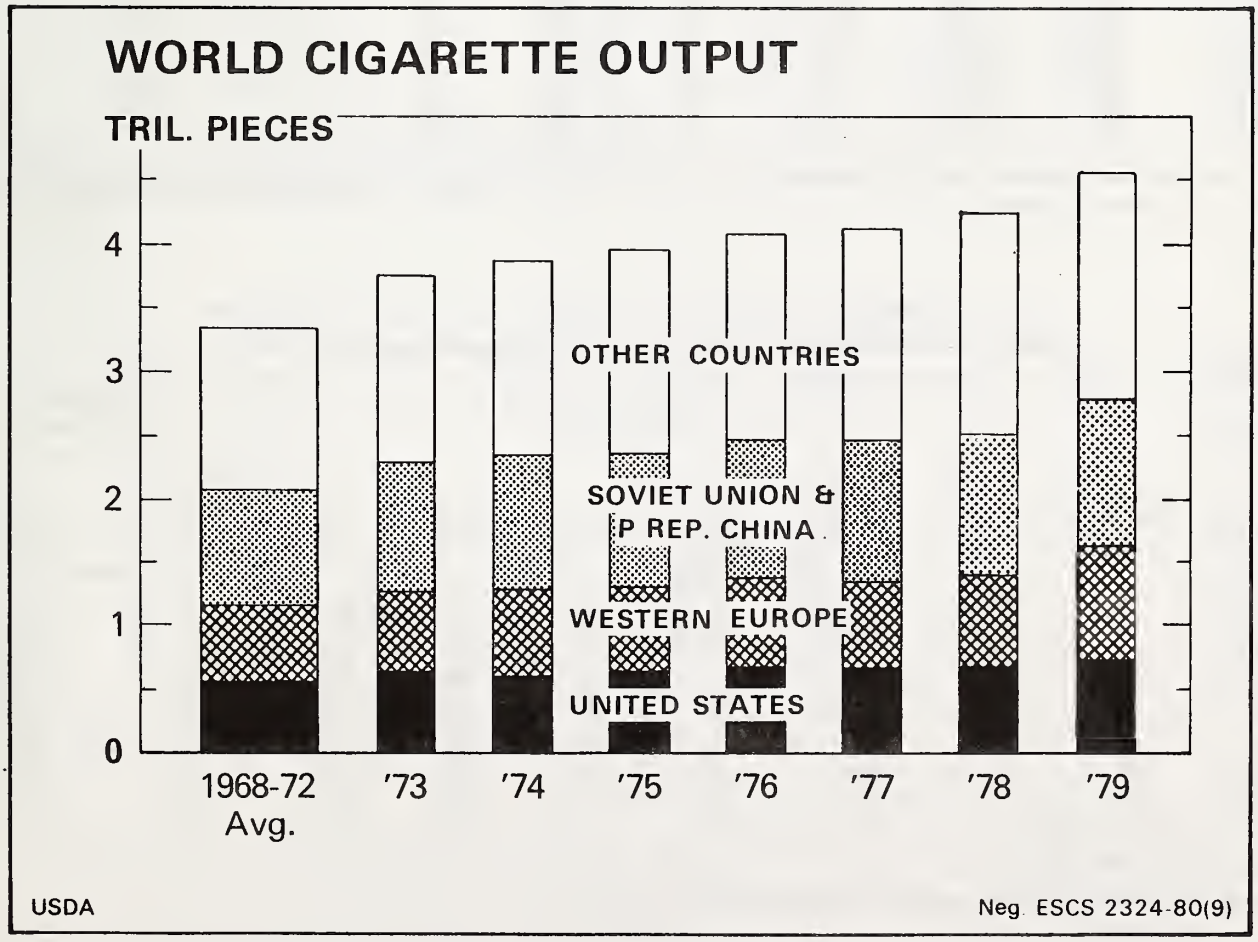


Table 30—United States and world production and exports of flue-cured, burley and all unmanufactured tobacco, 1955-80

Period	Flue-cured			Burley			All tobacco		
	United States	World total	United States as % of total	United States	World total	United States as % of total	United[1] States	World total	United States as % of total
	Million pounds		*Percent*	*Million pounds*		*Percent*	*Million pounds*		*Percent*
				Production (farm-sales weight)					
Average:									
1955-59	1,208	2,914	41	486	595	82	1,941	8,519	23
1960-64	1,336	3,302	40	624	778	80	2,211	8,898	25
1965-69	1,093	3,666	30	574	824	70	1,856	9,856	19
1970	1,193	3,937	30	561	906	62	1,911	10,021	19
1971	1,078	3,918	28	473	868	55	1,712	9,865	17
1972	1,012	4,076	25	601	1,094	55	1,754	10,155	17
1973	1,157	4,404	27	450	944	48	1,744	10,670	17
1974	1,241	4,788	26	613	1,113	55	1,990	11,385	17
1975	1,415	5,100	28	639	1,240	52	2,182	11,837	18
1976	1,316	5,021	26	679	1,294	52	2,137	12,284	17
1977	1,130	4,972	23	617	1,284	48	1,914	12,085	16
1978	1,232	5,208	24	626	1,317	48	2,025	12,411	16
1979[2]	946	4,951	19	446	1,233	36	1,527	11,929	13
1980[3]	1,086	4,889	22	558	1,248	45	1,779	11,471	16
				Exports (unmanufactured, export weight)					
Average:									
1955-59	413	683	60	28	47	60	500	[4]1,434	35
1960-64	397	772	52	42	74	57	497	[4]1,691	30
1965-69	415	790	53	46	106	44	553	1,787	31
1970	368	797	46	41	125	33	510	[4]1,838	28
1971	342	831	41	36	128	28	473	[4]1,890	25
1972	425	1,046	41	54	175	31	606	[4]2,341	26
1973	418	1,088	38	59	210	28	613	[4]2,288	27
1974	441	1,232	36	61	265	23	662	3,116	21
1975	391	1,176	33	62	231	27	571	2,854	20
1976	379	1,208	31	68	258	26	587	2,912	20
1977	412	1,238	33	79	291	27	640	2,797	23
1978	455	1,366	33	91	319	29	707	3,107	23
1979[2]	371	1,236	30	82	313	26	567	3,002	19
1980[3]	391	1,326	29	91	342	27	599	2,882	21

[1]Includes Puerto Rico. [2]Subject to revision. [3]Preliminary. [4]Total excludes Sino-Soviet countries. Foreign data supplied by the Tobacco and Cotton Division, Foreign Agricultural Service.

Table 31—United Kingdom, tobacco: Imports, by major suppliers, 1971-80

Year	United States	India	Canada	South Korea	Brazil	Other	Total	United States as a percentage of North American Total	United States as a percentage of Imports[1]
	Million pounds							*Percent*	
1971	98	38	52	8	6	67	269	36	65
1972	120	37	59	9	8	65	298	40	67
1973	127	54	42	11	14	80	328	39	75
1974	104	65	65	22	16	90	362	29	62
1975	88	54	44	21	18	89	314	28	67
1976	78	55	35	26	32	93	319	25	69
1977	52	61	35	34	38	94	314	17	60
1978	216	59	49	31	46	113	514	42	82
1979[2]	120	50	50	14	57	122	413	29	71
1980[2]	39	40	20	17	48	110	274	14	66

[1]U.S. and Canada. [2]Preliminary.

Compiled from reports of Commodity Programs, Foreign Agricultural Service, USDA.

Table 32—Tobacco: EC imports by major suppliers, 1971-80

Year	United States	Canada	Brazil	Intra-EC[1]	Greece, Turkey	Other	Total	U.S. share of total
				Million pounds				*Percent*
1971	178	3	53	69	126	314	743	24.0
1972	179	6	53	90	114	320	762	23.5
1973[1]	342	51	77	152	120	454	1,196	28.6
1974	300	70	87	167	114	583	1,321	22.7
1975	284	50	100	148	76	524	1,182	24.0
1976	276	39	107	168	64	540	1,194	23.1
1977	243	35	137	132	48	534	1,129	21.5
1978	397	58	141	174	73	557	1,400	29.8
1979	270	62	137	194	86	543	1,292	20.9
1980[2]	218	32	130	124	76	594	1,451	15.0

[1]Beginning 1973 EC (6) plus Denmark, Ireland, and United Kingdom. [2]Preliminary.

Table 33—Japan tobacco: Imports by major suppliers, 1971-80

Year	United States	People's Republic of China	India	Bulgaria Thailand	Greece, Turkey, Yugoslavia	Other countries	a percentage of total	United States as total	United States as Non-oriental imports[1]
				Million pounds					*Percent*
1971	54	—	9	8	23	6	100	53.6	69.5
1972	69	1	10	9	36	7	132	51.9	71.5
1973	69	1	10	6	25	16	127	54.1	67.6
1974	85	4	11	7	30	33	170	50.0	60.8
1975	106	8	12	8	25	43	202	52.5	59.9
1976	126	15	11	8	17	40	216	57.8	62.8
1977	99	9	9	7	29	30	183	54.1	64.3
1978	115	8	7	9	26	29	195	59.0	68.0
1979	109	5	6	7	20	24	171	63.7	72.2
1980[2]	82	5	4	6	22	24	144	57.0	67.6

[1]Total less Bulgaria, Greece, Turkey, and Yugoslavia. [2]Subject to revision.

Compiled from Japan Imports by Commodity by Country, December issue.

Table 34—West Germany tobacco: Imports, by major suppliers, 1971-80

Year	United States	Italy	Brazil	Greece, Turkey	Poland	Thailand	Other	Total	U.S.share of total
				——*Million pounds*——					*Percent*
1972	96	23	16	66	8	5	108	322	30
1973	100	31	16	32	8	8	176	371	27
1974	44	24	8	54	5	3	53	197	23
1975	88	30	14	49	9	10	91	291	30
1976	94	40	25	39	11	10	98	317	30
1977	88	45	32	38	9	11	95	318	28
1978	96	40	30	45	10	15	108	344	28
1979	82	42	6	46	6	15	130	327	25
1980[1]	76	35	31	43	5	21	135	346	22

[1]Preliminary.

Compiled from Foreign Agriculture Trade Circular, FAS, USDA.

Table 35-Estimated leaf used for cigarettes by kinds of tobacco, 1950-80

Year	Farm-sales weight				Unstemmed-processing weight				
	Flue-cured	Burley	Maryland	Total domestic	Flue cured	Burley	Maryland	Imported	Total
	Million pounds								
Average									
1950-54	736	421	23	1,180	651	373	22	73	1,119
1955-59	701	417	20	1,138	622	371	19	92	1,104
1960-64	742	455	16	1,213	661	404	16	123	1,204
1965-69	666	477	21	1,164	594	426	21	150	1,191
1970	613	448	27	1,088	548	400	27	163	1,138
1971	596	432	24	1,052	532	386	24	165	1,107
1972	621	460	16	1,097	555	411	16	193	1,175
1973	659	485	14	1,158	588	433	14	196	1,231
1974	625	468	13	1,106	558	418	13	213	1,202
1975	614	471	26	1,111	548	420	25	231	1,224
1976	634	472	22	1,128	566	421	22	237	1,246
1977	588	454	16	1,058	525	405	16	242	1,188
1978	576	459	20	1,055	514	410	19	284	1,227
1979 1/	556	462	22	1,040	494	413	22	348	1,277
1980 1/	538	450	24	1,012	480	402	24	374	1,280
	Per 1,000 cigarettes								
	Pounds								
Average:									
1950-54	1.776	1.016	.057	2.849	1.571	.899	.053	.177	2.700
1955-59	1.570	.936	.045	2.551	1.394	.832	.042	.205	2.473
1960-64	1.396	.854	.030	2.280	1.242	.761	.030	.231	2.264
1965-69	1.174	.840	.037	2.051	1.048	.751	.036	.264	2.098
1970	1.051	.768	.046	1.865	.940	.686	.0467	.279	1.951
1971	1.034	.749	.042	1.825	.923	.669	.042	.286	1.920
1972	1.037	.768	.027	1.832	.926	.686	.027	.322	1.961
1973	1.023	.752	.022	1.797	.913	.672	.022	.304	1.911
1974	.984	.737	.020	1.741	.880	.658	.020	.335	1.893
1975	.943	.723	.040	1.706	.842	.645	.038	.355	1.880
1976	.914	.681	.032	1.627	.816	.607	.031	.342	1.797
1977	.883	.682	.024	1.589	.789	.608	.024	.363	1.784
1978	.827	.660	.029	1.516	.739	.589	.027	.408	1.763
1979 1/	.789	.656	.031	1.476	.701	.587	.031	.494	1.813
1980 1/	.753	.630	.034	1.417	.672	.563	.034	.524	1.792
	Percentage distribution								
	Percent								
Average:									
1950-54	62.4	35.6	2.0	100.0	58.2	33.3	2.0	6.5	100.0
1955-59	61.6	36.7	1.7	100.0	56.3	33.6	1.7	8.3	100.0
1960-64	61.2	37.5	1.3	100.0	54.9	33.6	1.3	10.2	100.0
1965-69	57.2	41.0	1.8	100.0	49.9	35.8	1.8	12.6	100.0
1970	56.3	41.2	2.5	100.0	48.2	35.1	2.4	14.3	100.0
1971	56.7	41.0	2.3	100.0	48.1	34.8	2.2	14.9	100.0
1972	56.6	41.9	1.5	100.0	47.2	35.0	1.4	16.4	100.0
1973	56.9	41.8	1.2	100.0	47.8	35.2	1.1	15.9	100.0
1974	56.5	42.3	1.2	100.0	46.5	34.8	1.0	17.7	100.0
1975	55.3	42.4	2.3	100.0	44.8	34.3	2.0	18.9	100.0
1976	56.2	41.8	2.0	100.0	45.4	33.8	1.8	19.0	100.0
1977	55.6	42.9	1.5	1000.0	44.1	34.2	1.3	20.4	100.0
1978	54.6	43.5	1.9	100.0	42.0	33.4	1.5	23.1	100.0
1979 1/	53.5	44.4	2.1	100.0	38.7	32.3	1.7	27.3	100.0
1980 1/	53.1	44.5	2.4	100.0	37.5	31.4	1.9	29.2	100.0

1/ Subject to revision.

Table 36—Cash receipts from tobacco as percentage of cash receipts from crops and farm commodities, by States, 1979 and 1980

State	1979			1980[1]		
		Tobacco as:			Tobacco as:	
	Tobacco	Percentage of crops	Percentage of all farm commodities	Tobacco	Percentage of crops	Percentage of all farm commodities
	Million dollars	*Percent*		*Million dollars*	*Percent*	
North Carolina	895	45.3	26.8	1,113	51.0	30.3
Kentucky	549	48.1	24.4	675	50.4	30.2
South Carolina	173	25.2	15.7	175	27.2	17.3
Virginia	158	28.4	11.6	159	31.7	11.9
Tennessee	156	18.9	8.5	184	22.1	10.1
Georgia	147	11.0	4.9	153	13.4	5.4
Florida	30	1.0	.8	30	1.1	.8
Maryland	38	12.1	4.3	30	11.3	3.5
Connecticut	26	27.0	10.5	27	27.7	10.1
Wisconsin	22	2.9	.5	29	3.1	.6
Ohio	22	1.1	.6	29	1.2	.8
Indiana	17	.7	.4	27	1.0	.6
Massachusetts	8	5.7	3.1	11	7.4	4.0
Pennsylvania	15	1.9	.6	16	2.1	.6
Missouri	9	.5	.2	9	.5	.2
West Virginia	3	4.7	1.5	3	5.8	1.5
United States[2]	2,271	3.6	2.0	2,672	3.9	1.9

[1]Subject to revision. [2]U.S. total receipts from tobacco include relatively small receipts from a few States not shown separately.

Detail may not add to total due to rounding.

Table 37—Expenditures for tobacco products, and disposable personal income, 1972-81

Year	Total	Cigarettes	Cigars[1]	Other[2]	Disposable personal income[2]	Percent of disposable personal income spent on tobacco products			
						All	Cigarettes	Cigars[1]	Other[2]
	Million dollars				*Billion dollars*	*Percent*			
1972	12,910	11,765	720	425	810	1.61	1.47	.09	.05
1973	13,485	12,325	730	430	914	1.50	1.37	.08	.05
1974	14,475	13,270	705	500	998	1.47	1.35	.07	.05
1975	15,505	14,250	680	575	1,096	1.43	1.32	.06	.05
1976	16,410	15,100	675	625	1,194	1.39	1.28	.06	.05
1977	17,190	15,850	665	675	1,312	1.32	1.22	.05	.05
1978	18,030	16,600	680	750	1,463	1.24	1.14	.05	.05
1979	19,150	17,650	670	830	1,643	1.17	1.08	.04	.05
1980[3]	20,970	19,400	670	900	1,822	1.15	1.06	.04	.05
1981[4]	22,800	21,100	720	980	2,016	1.13	1.04	.04	.05

[1]Includes small cigars (cigarette-size). [2]Smoking tobacco, chewing tobacco, and snuff. Compiled from reports of Department of Commerce, Bureau of Economic Analysis. [3]Subject to revision. [4]Estimated.

Table 38—Governmental revenues from tobacco products, 1972-81

Year ending June 30	Federal Government				State and local Governments		All Governments
	Cigarettes[1]	Cigars[2]	Other[3]	Total[4]	State	Local	
				Million dollars			
1971-72	2,151	54	2	2,207	2,831	168	5,206
1972-73	2,221	54	2	2,277	3,112	174	5,564
1973-74	2,383	52	2	2,437	3,250	117	5,804
1974-75	2,261	51	3	2,315	3,286	109	5,710
1975-76	2,435	50	3	2,488	3,462	119	6,069
1976-77	2,279	39	4	2,322	3,500	131	5,953
1977-78	2,374	38	4	2,416	3,654	132	6,202
1978-79	2,356	36	5	2,397	3,640	133	6,170
1979-80[4]	2,604	40	4	2,648	3,730	132	6,510
1980-81	2,488	41	4	2,533	[5]3,880	[5]132	[5]6,545

[1]Includes large cigarettes. [2]Includes small cigars and revenue on cigars from Puerto Rico covered into the Treasury of Puerto Rico. [3]Includes cigarette paper and tubes, and imported cigarettes and cigars. [4]Subject to revision. [5]Estimated.

Compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 39—Tobacco and tobacco products exports by custom district ports, 1980

Custom district	Unmanufactured, tobacco	Tobacco products		Total tobacco
		Cigarettes	Other	
		Million dollars		
Norfolk, Virginia	646.0	510.4	4.4	1,160.8
Wilmington, North Carolina	387.1	55.7	(1)	442.8
New York, New York	55.4	50.4	6.2	112.0
Baltimore, Maryland	107.4	210.6	10.0	328.0
Miami, Florida	10.8	90.0	1.0	101.8
San Francisco, California	.1	50.2	.1	50.4
Charleston, South Carolina	39.1	38.4	.1	77.6
New Orleans, Louisiana	25.4	.1	.4	25.9
Los Angeles, California	13.4	9.4	(1)	22.8
San Juan, Puerto Rico	20.7	4.0	.3	24.7
Other	28.8	36.3	4.2	69.1
Total	1,334.1	1,055.4	26.4	2,415.9

[1]Less than 50 thousand.

Totals may not add due to rounding. Compiled from reports of Bureau of the Census.

Table 40—Agricultural and tobacco export value, percentage distribution and percent of total, by State, fiscal years 1973 and 1980[1]

Tobacco type and State	Export value				Tobacco as percentage of agricultural[3]		State as percentage of total tobacco[3]	
	Tobacco[2]		Agricultural					
	1973	1980	1973	1980	1973	1980	1973	1980
	Million dollars							
Flue-cured								
North Carolina	338	664	526	1,222	64	54	53	49
South Carolina	66	126	174	428	38	30	10	9
Georgia	59	108	207	753	28	14	9	8
Virginia	49	111	120	321	41	34	8	8
Florida	16	24	184	548	9	4	3	2
Subtotal	528	1,033	1,210	3,272	44	32	83	76
Burley and fire-cured								
Kentucky	64	185	186	652	34	28	10	14
Tennessee	23	60	175	514	13	12	4	4
Subtotal	87	245	361	1,166	24	21	14	18
Other								
Connecticut	6	26	8	30	75	87	1	2
Maryland	10	16	59	166	18	10	1	1
Massachusetts	2	10	6	18	42	54	[4]	1
Ohio	2	7	432	1,380	1	1	[4]	1
All other[5]	5	12	1,701	4,947	[4]	[1]	1	1
Total 18 States	640	1,349	3,774	10,979	17	12	100	100

[1]Year ending June 30 (1973). Year ending September 30, 1980. [2]Unmanufactured and bulk smoking tobacco. [3]Computed from unrounded totals. [4]Less than .5 percent. [5]Pennsylvania, West Virginia, Alabama, Indiana, Wisconsin, Louisiana and Missouri.

Compiled from: Tontz, Robert and McCall, Thomasine, U.S. Agricultural Export Shares by States, Fiscal year 1976," and *FOREIGN AGRICULTURAL TRADE OF THE UNITED STATES*, January/February 1981, pp. 65-73. Detail may not add to total due to rounding.

Table 41—Flue-cured and burley prices: Actual and support level compared with parity prices, 1971-81

Year	Flue-cured tobacco, types 11-14					Burley tobacco, type 31				
	Parity price[1]	Support level	Season average	Percent of parity[2]		Parity price[1]	Support level	Season average	Percent of parity[2]	
				Support	Season average				Support	Season average
	Cents per pound			*Percent*		*Cents per pound*			*Percent*	
1971	101.0	69.4	77.2	68.7	76.4	104.5	71.5	80.9	68.4	77.4
1972	106.0	72.7	85.3	68.6	80.5	111.0	74.9	79.2	67.5	71.4
1973	123.0	76.6	88.1	62.3	71.6	129.0	78.9	92.9	61.2	72.0
1974	136.0	83.3	105.0	61.2	77.2	147.0	85.8	113.7	58.4	77.3
1975	150.0	93.2	99.8	62.1	66.5	158.0	96.1	105.5	60.8	66.8
1976	155.0	106.0	110.4	68.4	71.2	160.0	109.3	114.2	68.3	71.4
1977	162.0	113.8	117.6	70.2	72.6	166.0	117.3	120.0	70.7	72.3
1978	176.0	121.0	135.0	68.8	76.7	184.0	124.7	131.2	67.8	71.3
1979	203.0	129.3	140.0	63.7	69.0	208.0	133.3	145.2	64.1	69.8
1980	222.0	141.5	144.5	63.7	65.1	234.0	145.9	165.9	62.4	70.9
1981	243.0	158.7	[3]165.2	65.3	68.0	[3]254.0	163.6		64.4	

[1]Beginning of marketing year; July 1 for flue-cured and October 1 for burley. [2]Calculated by National Economics Division, ERS. [3]Through September 10.

Compiled from Agricultural Prices, monthly issues. 1960-70 data are published in TS-173, September 1980, p. 40.

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COSTS OF PRODUCING FLUE-CURED TOBACCO: 1979, PRELIMINARY 1980 AND PROJECTED 1981

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ABSTRACT: Variable costs per acre of producing flue-cured tobacco are expected to rise by 9 percent in 1981, following a 14-percent increase in 1980. Total costs per acre of producing flue-cured tobacco, excluding land and quota costs, are expected to increase by 10 percent in 1981, compared with a 15-percent hike in 1980. These estimates are based on a 1979 survey of 1,033 flue-cured tobacco producers in the United States, with input prices updated for 1980 and projected for 1981. Projections of increased adoption of mechanical harvesters and bulk barns in 1980 and 1981 have also been included in the cost adjustments.

KEYWORDS: Flue-cured tobacco, variable costs, total costs.

INTRODUCTION

The costs of producing flue-cured tobacco during 1979, 1980, and 1981 are presented in this article. The major source of data for the cost estimates was a 1979 survey of 1,033 flue-cured tobacco producers in the flue-cured belt. Four concentrated regions were surveyed more heavily, thereby permitting regional cost estimates for years in which final county yield estimates are available (table 1). The 1979 data have been updated to obtain national cost estimates for 1980 and 1981.[1]

Cost estimates presented in this report replace the annual cost estimates for a conventional barn and bulk-barn harvest system that have been published in the June or September Tobacco Situation for several years. Costs reported in this article are averaged to represent all flue-cured growers in the United States.

Costs vary widely because of differences in tobacco grown per farm, harvest methods used, management, labor productivity, and a host of other variables. The budgets presented reflect the average costs of farmers in the United States or the specified production regions. They do not show variability of costs in the regions or the United States. Approximately 60 separate production systems were budgeted, reflecting cost differences by region, acres of tobacco grown, and various harvest methods. The results were totaled using the relative importance of each system to obtain the average cost of producing tobacco. Harvest system weights were changed for each year to reflect increased use of labor-saving bulk barns and mechanical harvesters.

Budgets include variable, machinery and barn ownership, and general farm overhead costs. Variable costs include expenditures for fertilizer and lime, pesticides, sucker control chemicals, fuel and lubricants, curing fuel and electricity, repairs, marketing fees, plant bed materials, and other materials such as sticks, twine, sheets, cover-crop seed, and tobacco crop insurance. Labor costs are included for all labor used. Hired, family, and exchange labor are all charged at prevailing farm-wage rates. Machinery and barn ownership costs are based on the current cost of replacing the barn or piece of equipment. The replacement cost concept represents the annual contribution needed to maintain a reserve to purchase new equipment or barns when existing ones must be replaced. General farm overhead includes costs for recordkeeping, utilities, and other items that are difficult to allocate to specific enterprises.

Two additional cost components, management and land and quota (license to produce and sell tobacco) are also estimated. The management charge was computed as 10 percent of the variable, machinery and barn ownership, and general farm overhead costs.

The charge for land and quota is calculated using the net share-rent approach. Net share-rent is what is left after landlord payments for fertilizer, chemicals, and other inputs, together with barn ownership costs, are subtracted from the value of the landlord's share of the crop under prevailing share-rent arrangements.

Crop values, used for calculating net share-rent and sales fees, were computed for 1979 and 1980 using the average annual price received by farmers, 1979 yields

[1]A future report will give a more complete discussion of concepts and procedures that underlie flue-cured production costs and will give cost estimates for different acres of tobacco grown and various harvest systems used.

Table 1--Countries included in flue-cured tobacco production region groupings

Pee Dee-Lumber River, N.C.- S.C. 16	Coasted Plain, N.C. 17	Piedmont, N.C. - V.A. 18	Georgia, Ga. 29
North Carolina	North Carolina	Virginia	Georgia
Cumberland	Edgecombe	Brunswick	Appling
Hoke	Franklin	Charlotte	Atkinson
Moore	Greene	Franklin	Bacon
Richmond	Harnett	Halifax	Berrien
Robeson	Johnston	Henry	Brooks
Scotland	Lee	Lunenbury	Bullock
			Candler
	Lenoir	Mecklenbury	Coffee
South Carolina	Nash	Patrick	Colquitt
Dillon	Pitt	Pittsylvania	Cook
Florence	Sampson		Emanuel
Harry	Wake	North Carolina	Evans
Marion	Warren	Alamance	Jeff Davis
Williamburg	Wayne	Caswell	Lowndes
	Wilson	Durham	Montgomery
		Forsyth	Tallmall
		Granville	Thomas
		Guilford	Toombs
		Orange	
		Person	
		Rockingham	
		Stokes	
		Surry	
		Vance	
		Yadkin	

Number refer to designated Census of Agriculture subregions.

based on county estimates, and 1980 yields adjusted to reflect the U.S. average yield change. At this time, the average price for the 1981 crop is not known, although prices for the first few weeks averaged $1.60 a pound, so this price is used to determine the net share-rent for the projected 1981 cost estimate. The yields for 1981 are based on average yields for the last 10 years.

COST CHANGES - 1979 TO 1980

Variable costs per acre of producing flue-cured tobacco rose by 14 percent between 1979 and 1980 (tables 2 and 4). Because yields increased, costs per 100 pounds rose more slowly—by 9 percent (tables 3 and 5).

About 60 percent of variable costs are comprised of labor, and curing fuel and electricity. Curing fuel and electricity costs jumped by 37 percent an acre because of increased costs of processing and supplying fuel. Fertilizer and lime costs rose by 27 percent an acre because of strong demand and increased costs of manufacturing fertilizer. Labor costs rose by only 4 percent because growers continued to adopt labor-saving harvesting techniques.

Machinery and barn ownership costs rose by 19 percent an acre. Material and labor costs for manufacturing these products continue to rise, together with interest rates.

Total costs, excluding land and quota, rose by 15 percent from $1,612 to $1,851 an acre. Land and quota charges based on the share-rent approach added $707 an acre to costs in 1980—up from $684 in 1979.

COST CHANGES - 1980 to 1981

Per acre variable costs of producing flue-cured tobacco in 1981 are projected 9 percent higher than in 1980 (table 4). Total costs per acre, excluding land and quota, are expected to be 10 percent higher (table 4). Curing fuel and electricity costs are estimated 13 percent higher; fertilizer and lime costs are projected 8 percent higher; and labor costs are expected to be 4 percent higher.

Wage rates continue to rise, with the minimum wage a major factor. Beginning in January 1981, the minimum wage for covered employees rose from $3.10 to $3.35 an hour.[2] To partially offset increased wage rates, farmers

[2]Farm employers who have hired 500 or more man-days of labor during at least one calendar quarter the previous year must pay workers the Federal minimum wage rate.

continue to adopt labor-saving bulk barns and mechanical harvesters and to expand the size of their operations.

Machinery and barn ownership costs are estimated to be 14 percent higher in 1981. Both labor and material costs of barns and machinery have risen.

Land and quota costs based on the share-rent approach were valued at $785 an acre or $39.48 per 100 pounds. These costs rose by 11 percent an acre in 1981 because higher prices paid for tobacco and slightly bigger estimated yields more than offset the increase in costs of landlord's inputs.

SUMMARY AND CONCLUSIONS

The cost of producing an acre of flue-cured tobacco, excluding land and quota, will likely total about 10 percent higher in 1981 than a year earlier. In comparison, costs rose by 15 percent in 1980. Key factors in the slower rate of increase are the much smaller rise in fuel and fertilizer costs and an estimated slower rise in machinery costs.

The cost estimates presented are averages. Costs vary markedly from grower to grower. Keep in mind that the cost estimates include not only out-of-pocket costs but also an opportunity cost for the unpaid inputs of operator and family labor and management.

TRENDS IN FLUE-CURED TOBACCO FARMING

Summary of Report

by

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Economics and Statistics Service,
Agricultural Economics Report

No. 470, June 1981, 26 pp.

Total labor used to harvest flue-cured tobacco dropped 35 percent during 1972-79, from 72 million to 47 million hours, as farmers adopted labor-saving bulk barns and mechanical harvesters. Nineteen percent of the acreage was harvested by mechanical harvesters and 61 percent was cured in bulk barns in 1979, compared with 1 and 8 percent, respectively, in 1972.

This study examines these and other trends in flue-cured tobacco farming in the four regions of Georgia, North Carolina, South Carolina, and Virginia that grow 75 percent of all U.S. flue-cured tobacco. Impact of these trends is projected to 1985.

Flue-cured tobacco management units in the study area average 13.8 acres of tobacco in 1979, up from 9.5 acres in 1972. The average size of units ranged from 10.8 acres in the Virginia-North Carolina Piedmont to 18.8 acres in the North Carolina Coastal Plain in 1979.

Only 23 percent of the tobacco producers owned all the land they farmed in 1979. Sixteen percent owned all the tobacco quota they grew. Sixty-three percent rented some land with quota and 43 percent leased some quota.

Many flue-cured tobacco farms in the study area have farm enterprises other than tobacco (primarily corn and beef cattle), although gross farm family income from tobacco in 1979 averaged 79 percent of total gross farm income.

About 27 percent of all flue-cured tobacco farmers worked off the farm in 1979, ranging from 17 percent in the North Carolina Coastal Plain and Georgia to 40 percent in the Virginia-North Carolina Piedmont. About 52 percent of the operator households had one or more members working off the farm.

Flue-cured tobacco farms are likely to continue to increase in size, as adoption of mechanical harvesters and bulk barns continues. An estimated 35 percent of the flue-cured acreage will be mechanically harvested by 1985, and essentially all the tobacco will be cured in bulk barns.

Single free copies of "Trends in Flue-Cured Tobacco Farming" (AER-470) are available while supplies last. Cut off the mailing portion of this summary report (the part below the dotted line that shows your address and the title of the report) and mail it to: ESS Publication, Room 0054-S, U.S. Department of Agriculture, Washington, D.C. 20250

Table 2--Flue-cured tobacco: Production costs per acre, by cost item, specified region and United States, 1979

Cost Item	Region[1]				
	Pee Dee-Lumber River, N.C.-S.C. 16	Coastal Plain, N.C. 17	Piedmont, N.C.-Va. 18	Georgia, Ga. 29	U.S. Average[2]
	Dollars/acre				
Variable	1,143.48	1,097.62	1,264.01	1,202.61	1,160.35
Labor[3]	475.96	476.29	678.22	476.53	522.15
Plant bed materials[4]	36.98	34.00	36.05	41.93	36.56
Fertilizer and lime	68.91	69.29	62.86	77.49	70.93
Pesticides[5]	76.12	65.15	45.43	97.85	69.16
Sucker control	28.96	33.01	24.79	32.74	29.98
Fuel and lubrication[6]	47.58	44.48	46.57	55.74	44.84
Curing fuel and electricity[7]	193.84	179.06	166.05	205.51	186.32
Repairs[8]	58.93	55.10	50.79	67.68	53.08
Marketing fee	84.90	78.92	74.70	82.07	79.38
Other[9]	57.81	49.27	63.42	51.29	53.99
Interest	13.49	13.05	15.13	13.78	13.92
Machinery and barn ownership	283.93	282.11	250.01	307.62	274.41
Replacement	153.01	156.19	130.85	168.85	149.37
Interest	103.74	100.84	94.79	110.33	99.54
Taxes and insurance	27.18	26.18	24.37	28.44	25.83
General farm overhead	28.59	29.63	36.32	20.58	30.56
Management[10]	145.60	141.06	155.03	152.87	146.55
Total, excluding land and quota	1,601.60	1,550.42	1,705.37	1,683.67	1,611.83
Land and quota allocation:					
Share-rent[11]	994.06	644.05	440.25	788.99	683.97
	Pounds				
Yield per acre	2,020	1,878	1,779	1,954	1,890

[1]Specified regions account for about three-fourths of total U.S. flue-cured tobacco production. [2]Includes all U.S. flue-cured tobacco. [3]Includes operator, family, exchange and hired labor valued at prevailing hired wage rates. [4]Includes plant bed seed, fertilizer, pesticides, and custom fumigation. [5]Includes insecticides, herbicides, and fungicides. [6]Includes tractor and machinery fuel and lubrication. [7]Includes cost of LP gas, fuel oil, or diesel and electricity used to cure tobacco. [8]Includes machinery, equipment, and barn repairs. [9]Includes sticks, twine, sheets, cover-crop seed, and tobacco crop insurance. [10]Based on 10 percent of above costs. [11]Based on net share-rent approach.

Table 3--Flue-cured tobacco: Production costs per 100 pounds, by cost item, specified region and United States, 1979

Cost Item	Region[1]				
	Pee Dee-Lumber River, N.C.-S.C. 16	Coastal Plain, N.C. 17	Piedmont, N.C.-Va. 18	Georgia, Ga. 29	U.S. Average[2]
	Dollars/100 pounds				
Variable	56.61	58.43	71.03	61.56	61.40
Labor[3]	23.56	25.36	38.12	24.39	27.63
Plant bed materials[4]	1.83	1.81	2.03	2.15	1.93
Fertilizer and lime	3.41	3.69	3.53	3.97	3.75
Pesticides[5]	3.77	3.47	2.55	5.01	3.66
Sucker control	1.43	1.76	1.39	1.68	1.59
Fuel and lubrication[6]	2.36	2.37	2.62	2.85	2.37
Curing fuel and electricity[7]	9.60	9.53	9.33	10.52	9.86
Repairs[8]	2.92	2.93	2.85	3.46	2.81
Marketing fee	4.20	4.20	4.20	4.20	4.20
Other[9]	2.86	2.62	3.56	2.62	2.86
Interest	0.67	0.69	0.85	0.71	0.74
Machinery and barn ownership	14.06	15.02	14.06	15.75	14.52
Replacement	7.57	8.32	7.36	8.64	7.90
Interest	5.14	5.37	5.33	5.65	5.27
Taxes and insurance	1.35	1.39	1.37	1.46	1.37
General farm overhead	1.42	1.58	2.04	1.05	1.62
Management[10]	7.21	7.51	8.71	7.82	7.75
Total, excluding land and quota	79.30	82.54	95.84	86.18	85.29
Land and quota allocation:					
Share-rent[11]	49.21	34.29	24.75	40.38	36.19
	Pounds				
Yield per acre	2,020	1,878	1,779	1,954	1,890

[1]Specified regions account for about three-fourths of total U.S. flue-cured tobacco production. [2]Includes all U.S. flue-cured tobacco. [3]Includes operator, family, exchange, and hired labor valued at prevailing hired wage rates. [4]Includes plant bed seed, fertilizer, pesticides, and custom fumigation. [5]Includes insecticides, herbicides, and fungicides. [6]Includes tractor and machinery fuel and lubrication. [7]Includes cost of LP gas, fuel oil, or diesel and electricity used to cure tobacco. [8]Includes machinery, equipment, and barn repairs. [9]Includes sticks, twine, sheets, cover-crop seed, and tobacco crop insurance. [10]Based on 10 percent of above costs. [11]Based on net share-rent approach.

Table 4--Flue-cured tobacco: Production costs per acre, United States, preliminary 1980 and projected 1981

Cost Item	Year	
	1980	1981
	Dollars/acre	
Variable	1,319.84	1,434.01
Labor[1]	540.97	564.10
Plant bed materials[2]	42.69	48.14
Fertilizer and lime	89.75	97.28
Pesticides[3]	74.15	80.50
Sucker control	33.06	37.12
Fuel and lubrication[4]	64.19	75.28
Curing fuel and electricity[5]	255.88	289.59
Repairs[6]	57.75	62.21
Marketing fee	85.75	95.37
Other[7]	57.61	63.64
Interest	18.04	20.78
Machinery and barn ownership	327.00	374.08
Replacement	167.38	187.64
Interest	130.47	154.08
Taxes and insurance	29.15	32.36
General farm overhead	35.52	39.40
Management[8]	168.23	184.75
Total, excluding land and quota	1,850.59	2,032.24
Land and quota allocation:		
Share-rent[9]	706.59	784.51
	Pounds	
Yield per acre	1,971	1,987

[1]Includes operator, family, exchange, and hired labor valued at prevailing hired wage rates. [2]Includes plant bed seed, fertilizer, pesticides, and custom fumigation. [3]Includes insecticides, herbicides, and fungicides. [4]Includes tractor and machinery fuel and lubrication. [5]Includes cost of LP gas, fuel oil, or diesel and electricity used to cure tobacco. [6]Includes machinery, equipment, and barn repairs. [7]Includes sticks, twine, sheets, cover-crop seed, and tobacco crop insurance. [8]Based on 10 percent of above costs. [9]Based on net share-rent approach.

Table 5--Flue-cured tobacco: Production costs per 100 pounds, United States, preliminary 1980 and projected 1981

Cost Item	Year	
	1980	1981
	Dollars/100 pounds	
Variable	66.96	72.17
Labor[1]	27.45	28.39
Plant bed materials[2]	2.17	2.42
Fertilizer and lime	4.55	4.90
Pesticides[3]	3.76	4.05
Sucker control	1.68	1.87
Fuel and lubrication[4]	3.26	3.79
Curing fuel and electricity[5]	12.98	14.57
Repairs[6]	2.93	3.13
Marketing fee	4.35	4.80
Other[7]	2.92	3.20
Interest	0.91	1.05
Machinery and barn ownership	16.59	18.82
Replacement	8.49	9.44
Interest	6.62	7.75
Taxes and insurance	1.48	1.63
General farm overhead	1.80	1.98
Management[8]	8.54	9.30
Total, excluding land and quota	93.89	102.27
Land and quota allocation:		
Share-rent[9]	35.85	39.48
	Pounds	
Yield per acre	1,971	1,987

[1]Includes operator, family, exchange, and hired labor valued at prevailing hired wage rates. [2]Includes plant bed seed, fertilizer, pesticides, and custom fumigation. [3]Includes insecticides, herbicides and fungicides. [4]Includes tractor and machinery fuel and lubrication. [5]Includes cost of LP gas, fuel oil, or diesel and electricity used to cure tobacco. [6]Includes machinery, equipment, and barn rapairs. [7]Includes sticks, twine, sheets, cover-crop seed, and tobacco crop insurance. [8]Based on 10 percent of above costs. [9]Based on net share-rent approach.

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Finger, Bill, ed. "Tobacco in Transition," N C Insight, Vol. 4, No. 2, June 1981, 50 pp. Several articles summarize forthcoming book on the tobacco economy.

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[1]Available from ADM Publications, Room 6C-02 5600 Fishers Lane, Rockville, MD 20857.

[2]Available from Room 212 GHI Bldg., ERS, USDA, Washington, D.C. 20250

[3]Available from Cooperative Ext. Service, N.C. State Univ. at Raleigh, Univ. Sta., Raleigh, NC 27607.

[4]Available from Room 1-58, Park Bldg., 1240 Park Lawn Dr., Rockville, MD 20857.

[5]Available from AMS Publications, 3620 South Bldg., USDA, Washington, D.C. 20250.

STATISTICAL SUMMARY

Item	Unit or base period	1980 July	1980 August	1981 June	1981 July	1981 August	Last data as percentage of a year earlier
Average price at auctions							
Flue-cured	Ct. per lb.	125.0	139.0	CLOSED	156.5	163.5	118
Burley	Ct. per lb.	CLOSED			CLOSED		
Maryland	Ct. per lb.	CLOSED			CLOSED		
Virginia fire-cured	Ct. per lb.	CLOSED			CLOSED		
Ky.-Tenn. fire-cured	Ct. per lb.	CLOSED			CLOSED		
Ky.-Tenn. dark air-cured	Ct. per lb.	CLOSED			CLOSED		
Virginia sun-cured	Ct. per lb.	CLOSED			CLOSED		
Price support level 1/							
Flue-cured	Ct. per lb.	141.5			158.7		112
Burley	Ct. per lb.	145.9			163.6		112
Virginia fire-cured	Ct. per lb.	98.9			111.0		112
Ky.-Tenn. fire-cured	Ct. per lb.	98.9			111.0		112
Ky.-Tenn. dark air-cured	Ct. per lb.	88.0			98.7		112
Virginia sun-cured	Ct. per lb.	88.0			98.7		112
Connecticut Valley cigar binder	Ct. per lb.	101.0			113.3		112
Wis. binder and Ohio filler	Ct. per lb.	72.9			81.8		112
Puerto Rican filler	Ct. per lb.	75.7			84.9		112
Parity index 2/	1910-14=100	955	965	1039	1037	1039	108
Industrial production index 3/	1967=100	140.3	142.2	152.9	153.4	152.8	107
Employment	Mil.	97.0	97.0	98.4	99.0	98.9	102
Personal income 4/	Bil. dol.	2161.2	2179.4	2384.7	2421.7		112
		1980 June	1980 July	1981 May	1981 June	1981 July	
Taxable removals							
Cigarettes	Bil.	53.7	49.6	50.7	56.5		105
Cigars and cigarillos	Mil.	364.2	291.1	337.4	387.6		106
Accumulated from Jan. 1							
Cigarettes	Bil.	308.7	358.3	263.1	319.6		104
Cigars and cigarillos	Mil.	1970.2	2261.3	1562.3	1950.9		99
Invoiced to domestic customers		Jan. - June		Jan. - June			
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	15.2			14.8		97
Chewing tobacco	Mil. lb.	52.3			52.4		100
Snuff	Mil. lb.	11.6			12.6		109
Tax-exempt removals							
Cigarettes	Bil.	6.6	6.2	6.3	8.0		121
Exports	Bil.	6.7	4.9	6.6	6.2	6.2	127
Cigars and cigarillos	Mil.	18.3	19.2	14.8	12.6		69
Accumulated from Jan. 1							
Cigarettes	Bil.	19.5	21.7	13.3	21.3		109
Exports	Bil.	42.0	46.9	36.4	42.7	48.9	116
Cigars and cigarillos	Mil.	90.6	109.8	64.9	77.5		86
Invoiced for export							
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	.4			.4		100
Chewing tobacco	Mil. lb.	.1			.1		100
Producer price indexes 5/							
Tobacco products	1967=100	245.1	247.6	268.4	268.4	268.5	108
Cigarettes (filtertip, king size)	1967=100	248.0	251.7	272.8	272.8	272.8	108
Cigars	1967=100	156.8	156.9	165.3	165.3	166.5	106
Smoking tobacco	1967=100	264.4	264.4	296.4	296.4	296.4	112
Plug chewing tobacco	1967=100	279.6	279.6	352.1	352.1	352.1	126
Snuff	1967=100	290.2	290.2	321.4	326.1	326.1	112
Consumer price indexes (urban)							
Tobacco products	1967=100	203.4	203.8	218.2	219.1	219.3	108
Cigarettes	1967=100	206.0	206.4	220.8	221.4	221.6	107
Other tobacco products 6/	Dec. 1977=100	120.2	120.7	130.4	132.3	132.5	110
Imports of tobacco (for consumption)							
Cigarette leaf	Mil. lb.	15.8	15.7	17.4	12.3	11.2	71
Tobacco (leaf and scrap)	Mil. lb.	5.2	3.4	4.8	3.4	4.1	121
Other scrap and tobacco NSPF 7/	Mil. lb.	14.4	5.6	13.5	11.9	13.8	246
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	103.0	118.8	118.1	130.3	141.5	119
Cigar tobacco (leaf and scrap)	Mil. lb.	23.0	26.5	23.4	26.9	31.0	117
Other scrap and tobacco NSPF 7/	Mil. lb.	68.7	74.2	43.3	55.2	69.0	93

See footnotes at end of table.

Item	Unit or base period	1980 June	1980 July	1981 May	1981 June	1981 July	Last data as percentage of a year earlier
Exports of leaf tobacco (farm-sales weight)							
Flue-cured	Mil. lb.	36.7	38.0	35.6	30.7	22.8	60
Burley	Mil. lb.	7.0	5.1	17.4	17.1	10.3	202
Maryland	Mil. lb.	.8	.9	1.0	.4	2.8	311
Virginia fire- & sun-cured	Mil. lb.	.3	.4	.3	.2	.4	100
Ky.-Tenn. fire-cured	Mil. lb.	2.3	3.2	2.3	2.1	1.8	56
Ky.-Tenn. dark air-cured	Mil. lb.	2.7	.3	.1	.1	.2	67
Cigar wrapper	Mil. lb.	.2	.3	.3	.7	.2	67
Cigar binder	Mil. lb.	0	*	*	*	*	----
Accumulated from beginning of marketing year 8/							
Flue-cured	Mil. lb.	552.1		478.2	508.9		92
Burley	Mil. lb.	115.0	120.1	69.3	86.4	96.8	81
Maryland	Mil. lb.	7.4	8.3	3.9	4.3	7.1	86
Virginia fire- & sun-cured	Mil. lb.	2.3	2.7	1.1	1.3	1.7	63
Ky.-Tenn. fire-cured 9/	Mil. lb.	13.5	17.0	11.9	14.0	15.8	93
Ky.-Tenn. dark air-cured 9/	Mil. lb.	1.2	1.4	1.6	1.7	1.9	136
Cigar wrapper	Mil. lb.	5.4		3.3	4.0		74
Cigar binder	Mil. lb.	.1	.1	.2	.2	.2	200
Cigar filler	Mil. lb.	.1	.1	.4	.5	.5	500
Exports of manufactured tobacco in bulk and not elsewhere classified 10/	Mil. lb.	2.6	.8	.5	1.1	2.3	288
Accumulated from Jan. 1	Mil. lb.	10.2	11.0	4.1	5.2	7.5	68
		Quarterly data					
		1980		1981			
Stocks of tobacco--1st of quarter (farm-sales weight) 11/		April-June	July-Sept.	April-June		July-Sept.	
Domestic types							
Flue-cured	Mil. lb.	2192	1965	2231		2013	102
Burley	Mil. lb.	1313	1162	1297		1141	98
Maryland	Mil. lb.	37	48	28		42	88
Fire-cured	Mil. lb.	97	87	92		81	93
Dark air- and sun-cured	Mil. lb.	45	39	46		43	110
Cigar filler	Mil. lb.	72	67	73		68	101
Cigar binder	Mil. lb.	65	60	71		68	113
Cigar wrapper	Mil. lb.	8	8	6		6	75
Under Government loan 12/	Mil. lb.	772	693	710		663	96
Foreign types							
Cigarette and smoking	Mil. lb.	683	746	684		729	98
Oriental	Mil. lb.	342	367	332		324	88
Flue-cured	Mil. lb.	148	166	140		161	97
Burley	Mil. lb.	192	213	211		244	115
Cigar	Mil. lb.	91	95	91		89	94
Tobacco outlets 13/							
Seasonally adjusted data, annual rates, for charts, p. 2							
Cigarettes							
Production	Bil.	684.1	711.3	712.5		691.4	97
Tax-paid removals	Bil.	618.1	629.8	633.5		611.7	97
Cigar production							
Large	Bil.	3.92	4.10	3.93		4.06	99
Small	Bil.	1.53	1.37	1.34		1.37	100
Smoking production	Mil. lb.	30.6	31.0	29.1		30.4	98
Chewing production							
Loose leaf	Mil. lb.	76.4	66.5	71.2		72.0	108
Plug and other	Mil. lb.	35.1	32.9	35.2		34.0	103
Snuff production	Mil. lb.	24.5	24.1	24.2		24.6	102
Exports of leaf							
Total	Mil. lb.	759.1	632.1	712.4		664	105
Flue-cured	Mil. lb.	520.4	478.8	469.9		503	105

1/ 1980 and 1981 crops, respectively. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Federal and applicable state and local taxes included. 6/ Includes tobacco accessories. 7/ NSPF=Not specifically provided for. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Incl. Black Fat. 10/ Smoking tobacco in bulk through December 1977. Beginning January 1978 blended strips no longer included. 11/ Holdings of manufacturers and dealers, including grower cooperatives. 12/ Reported by grower cooperatives. 13/ Latest quarter is estimated. *Less than 50,000 pounds. Detail may not add due to rounding.

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